



Board of Directors of the  
Connecticut Green Bank  
Meeting Minutes

Thursday, September 12, 2019  
11:30 a.m. to 1:00 p.m.

A special meeting of the Board of Directors of the **Connecticut Green Bank (the "Green Bank")** was held on Thursday, September 12, 2019 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

*Note – In the absence of a new Chairperson yet to be assigned by Governor Lamont, Mr. Garcia, President & CEO, acted as Chair for today's meeting with the agreement of the Board members present.*

**1. Call to order**

Mr. Garcia called the meeting to order at 11:34 a.m.

Board members participating: Bettina Bronisz (by phone), Eric Brown, Binu Chandy (by phone), Betsy Crum (by phone), John Harrity, Mary Sotos, Matt Ranelli (by phone), Kevin Walsh (by phone)

Members Absent: Thomas M. Flynn

Staff Attending: Emily Basham, Craig Connolly, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Cheryl Samuels, Selya Price, Eric Shrago, Mike Yu (by phone), Nick Zuba (by phone)

Others Attending: None

**2. Public Comments**

None

**3. Consent Agenda**

- a. Meeting Minutes from July 18, 2019

### **Resolution #1**

Motion to approve the meeting minutes of the Board of Directors for July 18, 2019.

- b. Approval of Transactions Under \$500,000 but No More in Aggregate than \$1,000,000

### **Resolution #2**

**WHEREAS**, in January 18, 2013, the Connecticut Green Bank (the “Green Bank”) Board of Directors (the “Board”) authorized the Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting, on July 18, 2014 the Board increased the aggregate not to exceed limit to \$1,000,000 (“Staff Approval Policy for Projects Under \$300,000”), on October 20, 2017 the Board increased the finding requests to less than \$500,000 (“Staff Approval Policy for Projects Under \$500,000”); and

**WHEREAS**, Green Bank staff seeks Board review and approval of the funding requests listed in the Memo to the Board dated September 12, 2019 which were approved by Green Bank staff since the last Deployment Committee meeting and which are consistent with the Staff Approval Policy for Projects Under \$500,000;

**NOW**, therefore be it:

**RESOLVED**, that the Board approves the funding requests listed in the Memo to the Board dated September 12, 2016 which were approved by Green Bank staff since the last Deployment Committee meeting. The Board authorizes Green Bank staff to approve funding requests in accordance with the Staff Approval Policy for Projects Under \$500,000 in an aggregate amount to exceed \$1,000,000 from the date of this Board meeting until the next Deployment Committee meeting.

**Upon a motion made by Matt Ranelli and seconded by John Harrity, the Board voted to approve Resolution 1 and Resolution 2. Motions approved unanimously.**

## **4. Committee Recommendations and Updates**

### ***Agenda item moved to end of meeting***

- a. Audit, Compliance and Governance Committee
  - i. APA Recommendations and Staff Responses
  - ii. Board of Director Meeting Attendance

## **5. Financing Programs Recommendations**

- a. C-PACE Transaction – East Windsor  
TR Associates I, LLC is the property owner of 3 Thompson Road, East Windsor, CT project location. Mr. Yu related the due diligence completed on the project. Though company has negative net income, company is strong on paper with sound credit regarding property value. Mr. Harrity asked how many people were employed by KTI but it was not known at the time; Mr. Garcia stated they will follow-up with that information. Mr. Walsh asked if there is a mortgage on property? Yes, there is; mortgage is held by KTI on property (over \$180k) and C-PACE debt would be senior to that mortgage. Project would not be funded 100% by C-PACE but receive a portion of support from Energy on the Line. There were no further questions.

### **Resolution #3**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$609,282 construction and (potentially) term loan under the C-PACE program to TR Associates I, LLC., the building owner of 3 Thompson Road, East Windsor, Connecticut (the “Loan”), to finance the construction of specified clean energy measures in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan; and

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

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated September 5, 2019, 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 of Directors;

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

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

**Upon a motion made by John Harrity and seconded by Eric Brown, the Board voted to approve Resolution 3. Motion approved unanimously.**

b. C-PACE Credit Enhancement RFP – Third-Party Financier Investment

With a goal to increase third-party volume in the market, an RFP was issued for construction and industrial financing. One proposal was received from Greenworks Holdings (GWH). Mr. Yu presented the proposed structure in an attached chart. With 95% of financing covered by Greenworks Lending and 5% by CarVal—which are starter funds and not C-PACE. Green Bank to take over some higher risk lending with 6½% capital. Mr. Ranelli and Ms. Bronisz had questions about how this system of lending will encourage others to join financing. With CT margins lower than in other parts of the country how will this program incentivize projects or encourage funds from private investors? The strategic benefits to the GWL proposal are to; 1) spur market growth by reducing the cost of capital for GWL in Connecticut; 2) allow GWL to provide highly competitive financing to Connecticut based businesses and property developers and 3) more interest income for the Green Bank to meet financial sustainability goals.

Discussion continued with confirmation that GWL was the only response to Green Bank’s RFP and, per Mr. Dykes, GWL is the most active lender in the state. Staff made a concerted effort to reach other private capital providers to make them aware of the RFP and all that are associated with the Green Bank’s C-PACE program were contacted. GWL handles primarily retrofit, no new construction and handles smaller projects. In the past the RFP has remained open for C-PACE but is not open now. Mr. Harrity voiced concern about if/where/how funds are disbursed under the same scrutiny and due diligence as our own projects would go through. Mr. Yu shared that projects would be subject to an agreed loan underwriting process which will be regularly verified with GWL. Mr. Garcia also shared that projects in future may include bond funding which is along the same lines and Mr. Dykes added that funding will not be used for non-energy related projects.

**Resolution #4**

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

**WHEREAS**, to further its goal of building a robust and competitive C-PACE market in Connecticut, the Green Bank issued a Request for Proposals (“RFP”) on May 20, 2019 to develop a capital provider-owned capital facility with the goal of accelerating market growth.

**WHEREAS**, the Green Bank seeks to enter into a financing arrangement with the winner of the RFP: Greenworks Lending Holdings LLC and its affiliate entities (together being “GWL”) to provide a \$5,000,000 senior secured loan to support the deployment of third-party C-PACE financing;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Connecticut Green Bank, is authorized to execute a loan agreement, intercreditor

agreement, guaranty agreement and any other ancillary documentation with GWL with terms and conditions materially consistent with those presented in the memorandum dated September 5, 2019.

**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.

**Upon a motion made by Matt Ranelli and seconded by John Harrity, the Board voted to approve Resolution 4. Motion approved unanimously.**

c. PosiGen – Adjustment within Existing Credit Limit

There is existing Green Bank Board authorization for funding to PosiGen the most recent being an approval of “not to exceed \$15Mil” limit for both PosiGen global back-leverage facility and the PBI/LMI-PBI funding facility pending participation by Inclusive Prosperity Capital (IPC). The request for an adjustment to this existing credit limit is related to PosiGen’s plans to invest in and expand the existing call center/operations hub located in Bridgeport, CT and for additional capital for working capital needs in Connecticut. PosiGen came to the Green Bank regarding this expansion and they plan to retain 69 current employees and add 51 more. The Green Bank can provide about half of the funding for the expansion and Mr. Hunter reviewed the adjustment to enable the additional funding; (1) relaxation of overcollateralization constraint, (2) raise the Advance Rate against the Net Present Value (NPV) of future PBI and LMI-PBI cash flows from 90% to 95%, (3) hold constant the Discount Rate to determine the NPV of future PBI and LMI-PBI cash flows at 6.75% vs. higher facility interest rate at 7.5%, (4) permit additional advances against additional systems installed by PosiGen, (5) IPC and CT Green Bank to “co-lend” which is permitted in current agreement, (6) IPC participation to remain “Fixed” and “Amortizing”, (7) incremental capital from Green Bank to be repaid in the “waterfall” on a period by period basis AFTER IPC scheduled payments (i.e., subordinate to IPC), (8) allows PosiGen to “pay down” facility to recover the lower (existing) facility interest rate. The Green Bank would only have \$15 million exposure and PosiGen would paydown facility as if the Green Bank did not relax the constraints (in order to restore the lower interest rate to the facility).

PosiGen is currently struggling with liquidity and has had unforeseen delays with other facilities (including the LibreMax facility which is related to the Green Bank’s overall \$15m exposure as well as tax equity facilities from investors who benefit from the solar PV tax benefits) causing cash constraints. PosiGen is in the process of obtaining a bridge loan for existing projects and an additional facility from McKnight Foundation is in the process of being closed. Both of these facilities are expected to deal with PosiGen’s liquidity issues. Mr. Harrity asked if PosiGen would have the ability to move the call/operations center out of Connecticut? Technically, yes per Mr. Hunter but this effort is to help them stay in Connecticut. Mr. Garcia added that PosiGen had been reviewing other tri-state area locations that did not work out at this time and feels that Connecticut is where they want to be. Mr. Harrity’s concern is that the Green Bank fund the expansion effort and then have PosiGen move the call center not just out of state but out of the country. Specific verbiage about staying in Connecticut would be added to loan agreement or terms would change. Ms. Sotos had a question regarding PosiGen’s major lender, LibreMax, and ensuring patience with the lending process so a domino effect is not started. Mr. Brown asked if any aspect of this project is attached to the Green Bank mission to which Mr. Garcia responded that PosiGen

contributes to LMI energy improvements so even though the loan would be for an expansion (economic development), it is permissible to loan funds to PosiGen to keep “green energy” jobs in Connecticut. Mr. Farnen read from the CT Statute and that there is a direct nexus to clean energy resources in CT and is acceptable for the Green Bank to be involved. Mr. Brown stated his concern with the scrutiny of other lenders and companies that the Green Bank has “favorites”, that we ensure the Green Bank act in a totally impartial manner. Mr. Hunter stated the Green Bank made efforts to communicate the availability of these incentives to everyone and Ms. Crum shared about lending often to LMI vendors and not having comments about being “fair.” Mr. Walsh expressed concern about subordination and asked if the Green Bank was being sufficiently compensated – which in his experience is typically a combination of additional yield and equity. Mr. Hunter responded that the effective yield for the Green Bank is approximately 10%, or 325 basis points higher than the yield IPC receives in its senior position. Mr. Hunter added that in the past the Green Bank has obtained warrants for equity in PosiGen but Mr. Walsh didn’t consider that an appropriate remedy to the equity matter he raised. Mr. Harrity sees PosiGen as a strategic partner with a positive example and social mission and if there are comments or questions, those are the reasons why.

#### **Resolution #5**

**WHEREAS**, the Connecticut Green Bank (“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 Board of Directors (“Board”) previously authorized the Green Bank’s participation in a credit facility (the “BL Facility”) encompassing all of PosiGen’s solar PV system and energy efficiency leases in the United States as part of the company’s strategic growth plan, in an amount not to exceed \$15 million;

**WHEREAS**, that prior authorization for the BL Facility excluded financing by the Green Bank under a PBI-only financing facility, in order to provide financing for PosiGen against Performance Based Incentive (“PBI”) payments due to PosiGen under the Residential Solar Investment Program (“RSIP”), as such financing was expected to be provided by Inclusive Prosperity Capital, Inc. (“IPC”); and

**WHEREAS**, in anticipation of IPC being able to participate in a PBI-only financing facility to provide loans against PBI payments due to PosiGen under the RSIP, the Green Bank Board previously authorized the extension of credit by the Green Bank under such separate PBI-only facility to PosiGen in additional to the BL Facility, provided that Green Bank capital outstanding between such PBI-only facility and the BL Facility would not exceed the previously authorized \$15 million total;

**WHEREAS**, IPC has loaned approximately \$4m of its capital to PosiGen under a participation agreement with the Green Bank whereby IPC is providing (currently) approximately \$3.9m in financing under the PBI-only financing facility;

**WHEREAS**, in order to loan additional funds to support the economic development investment by PosiGen in a regional call center being located within the State of Connecticut and

the Green Bank Staff seeks permission to loan additional funds under the PBI-only facility as further explained in a memorandum to the Board dated September 5, 2019; and

**WHEREAS**, such additional loans to PosiGen via such PBI-only facility and together with any existing and incremental loans advanced by the Green Bank to PosiGen under the BL Facility would not exceed the previously authorized \$15 million limit;

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Board authorizes the Green Bank to lend additional funds to PosiGen under the separate PBI-only facility in addition to the BL Facility, provided that Green Bank capital outstanding between such PBI-only facility and the BL Facility does not exceed the previously authorized \$15 million total;

**RESOLVED**, that the Green Bank shall be permitted to co-lend with IPC to PosiGen under the PBI-only facility by the Green Bank selling down its position in the PBI-only facility to IPC on either the same terms as will exist between Green Bank and PosiGen or with Green Bank subordinated to IPC as explained in a memorandum to the Board dated September 5, 2019 as determined by Green Bank Staff; and

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

**Upon a motion made by John Harrity and seconded by Matt Ranelli, Board members Bronisz, Chandy, Crum, Harrity, Sotos and Ranelli voted to approve Resolution 5 with Eric Brown and Kevin Walsh voting no. Motion approved.**

- d. Fort Hill Farm Waste to Energy AD Project – Adjustment from Guaranty to Loan within Existing Credit Limit  
This proposed project was submitted by Fort Hill Ag-Grid, LLC a Special Purpose Entity (SPE) wholly owned by both Fort Hill Farms and Ag-Grid Energy, LLC. Project would be a 450kW farm based Anaerobic Digester facility with system located on a 1,000-acre multi-generation family owned and operated farm in Thompson, CT. Digester will process manure and other organic materials to produce manure and other organics, electricity to be used by the farm and biogas.  
Christopher Magalhaes of Inclusive Prosperity Capital walked the board through the proposal.

#### **Resolution #6**

**WHEREAS**, in early 2013, Green Bank released a rolling Request for Proposals in the third round of solicitations for anaerobic digestion projects to participate in a statutorily mandated AD Pilot program, an initiative aimed at reducing landfill waste through the recycling of organics and helping to promote sustainable practices and economic prosperity of Connecticut farms and other businesses by using organic waste with on-site anaerobic digestion facilities to generate electricity and recoverable heat;

**WHEREAS**, Ag-Grid Energy, LLC submitted the Fort Hill Ag-Grid Anaerobic Digestion Facility proposal to develop in the City of Thompson a 450 kW anaerobic digestion project and,

after a thorough review, was selected as a project that is consistent with the AD Pilot Program, Green Bank Comprehensive Plan and in the best interests of ratepayers;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of Green Bank is authorized to execute and deliver definitive documentation materially based on the term sheet set forth in this due diligence package for financial support in the form of up to \$850,000 of a loan guaranty or, alternatively a funded loan, as he or she shall deem to be in the interests of Green Bank and the ratepayers;

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

**RESOLVED**, that the Board's approval is conditioned upon the completion of Green Bank staff's due diligence review, including Green Bank's review and reasonable satisfaction with all project documentation that Green Bank is and is not a party to.

**Upon a motion made by Binu Chandy and seconded by Betsy Crum, the Board voted to approve Resolution 6. Motion approved unanimously. Matt Ranelli abstained.**

- e. Capital for Change (C4C) Smart-E Funding Facility with Amalgamated C4C joined Smart-E in late 2016 and is the largest Smart-E lender with loan growth exceeding expectations and reasonable credit losses (at approx. 1.75%). Issue is with the current funding line; Webster Bank line of credit is amortizing 5 yrs vs. 10 yrs for program loans which, consequently with program loan growth, are draining CEEFCo liquidity and stressing resources. If issue is unaddressed, C4C would need to stop originating loans until current loans are refinanced. Bert Hunter presented the loan. Kevin Walsh questioned the rate at which funds were to be lent in that the incremental margin for being in the subordinate position (25 basis points) is quite small. Bettina Bronisz emphasized the aligned mission between the Green Bank and C4C. Betsy Crum expressed her appreciation of the LMI focus of C4C. Matt Ranelli enquired about the timeline and need for expediency. Bert explained the urgency as the bridge loan the Board approved was supposed to be replaced by the Amalgamated Bank and Green Bank permanent loan in July, but the approval process for Amalgamated Bank took longer than expected. Eric Brown asked why the Green Bank was willing to take a subordinated position and the return. Mr. Hunter explained that the Green Bank is familiar with the loan performance of the C4C residential loan portfolio and is satisfied that based on historical performance that the loans will perform as well going forward. John Harrity encouraged the board to move forward. Kevin Walsh stated that he is not blind to C4C's mission or role but felt that 25 basis points is too low of a premium for subordinated debt. Mr. Hunter commented that he would seek to obtain a larger margin with the borrower (C4C) and appreciated the Board's willingness to consider the resolution today.

### **Resolution #7**

**WHEREAS**, the Connecticut Green Bank ("Green Bank") entered into a Smart-E Loan program financing agreement with Capital for Change ("C4C");



**WHEREAS**, C4C is the largest and fastest growing Smart-E lender on the Green Bank Smart-E platform;

**WHEREAS**, C4C and Green Bank have substantially completed negotiations with Amalgamated Bank for a medium-term loan facility to fund C4C's Smart-E Loan and other residential energy efficiency loan portfolio growth; and

**WHEREAS**, Green Bank staff recommend final approval by the Green Bank Board of Directors (the "Board") for a secured and subordinated medium term revolving loan facility for CEEFCo (the "CEEFCo Revolving Loan") in order to fund CEEFCo's residential energy efficiency and Smart-E Loan portfolio in partnership with Amalgamated Bank.

**NOW**, therefore be it:

**RESOLVED**, that the Board approves the CEEFCo Revolving Loan in an amount of up to \$4.5 million in capital from the Green Bank balance sheet in support of energy efficiency and Smart-E Loans in partnership with Amalgamated Bank generally consistent with the memorandum submitted to the Board on September 5, 2019;

**RESOLVED**, that the President of the Green Bank, and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to effect the CEEFCo Revolving Loan on such terms and conditions as are materially consistent with the memorandum submitted to the Board on September 5, 2019; and

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

**Upon a motion made by John Harrity and seconded by Binu Chandy, the Board voted to approve Resolution 7 with Eric Brown abstaining.**

## **6. Incentive Program Recommendations**

- a. SHREC Green Bond RFP & SHREC Warehouse Resolution Adjustments  
Resolutions to the SHREC Warehouse are; (1) more specificity and references to final documentation as requested by lender's Counsel, (2) substantively similar, and (3) reviewed and approved by Green Bank and external counsel.

SHREC Monetization includes (1) taxable municipal bonds (super sinker or serial) with Green Bank as issuer. Leverages high advance rate and low cost of capital collateralized by the Solar Home Renewable Energy Credits from Tranche 3 and a rating from either S&P and/or Kroll. The next steps are to consider underwriter(s) Ramirez and/or Stifel and to increase Green Bank awareness throughout Connecticut to bring investment opportunities to individuals as well as environmental and social investors.

Mike Yu presented the proposed plan for using two underwriters for the second SHREC issuance. Bryan Garcia underscored how excited the organization is to move forward with this transaction.

## **Resolution #10**

**WHEREAS**, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (“Board”) proposal(s) for Green Bank to proceed with agreements with Ramirez & Co., Stifel, Nicolaus & Company, Inc., or both as co-managers, (individually or collectively (“Underwriters”) whereby Underwriters would structure, arrange and secure funding in accordance with a proposed permanent taxable municipal bond securitization (“MBS”) financing of Tranche 3 of the Solar Home Renewable Energy Credit (“SHREC”) program as described in the Confidential Memorandum to the Board of Directors dated September 5, 2019.

**WHEREAS**, Underwriters were selected pursuant to a Request for Proposal process as set forth in the Operating Procedures of the Green Bank; and

**WHEREAS**, any bond or note issuance associated with the SHREC MBS financing will be subject to definitive documentation which will require approval by the Board.

**NOW**, therefore be it:

**RESOLVED**, that the Board approves Green Bank to enter into a Professional Services Agreement(s) with the Underwriters or either Underwriter for the purpose of having Underwriters (or either Underwriter) structure, arrange and secure funding in accordance with a proposed permanent MBS financing of Tranche 3 of the SHREC program substantially as set forth in the Confidential Memorandum to the Board of Directors dated September 5, 2019;

**RESOLVED**, that the President, Chief Investment Officer and General counsel of Green Bank, and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the engagement of Underwriters (or either Underwriter) for the SHREC Revolving Credit Facility, SHREC MBS, and to establish the SPV and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and

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

### **SHREC Warehouse**

All of the members of the Board of Directors (the “**Board**”) of the Connecticut Green Bank, a quasi-governmental agency of the State of Connecticut (the “**Green Bank**”), which is the sole member of SHREC Warehouse 1 LLC, Connecticut limited liability company (the “**Company**”), hereby consent to and adopt the following resolutions for and on behalf of the Green Bank and, in the Green Bank’s capacity as the sole member of the Company, for and on behalf of the Company:

**WHEREAS**, on July 31, 2019, based on prior approvals obtained from the Board, the Company entered into a Credit Agreement (the “**Credit Agreement**”) with Webster Bank, National Association (“**Webster**”), as Administrative Agent (in such capacity, as “**Agent**”) and as a lender and Liberty Bank, as Lead Arranger and as a lender (Webster and Liberty Bank, in their capacities as lenders, are referenced to herein collectively as, “**Webster-Liberty**”), whereby Webster-Liberty have made available to the Company a Fourteen Million and 00/100

Dollar (\$14,000,000.00) secured revolving line of credit ("**Loan**") for the purpose of financing the Tranche 3-2019 (as defined in the Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 3-2019 SHRECs**"); and

**WHEREAS**, a true, correct and complete copy of the Credit Agreement is attached hereto as Exhibit A; and

**WHEREAS**, to induce Webster-Liberty to make the Loan to the Company, Green Bank guaranteed the Loan pursuant to the Guaranty (as defined herein); and

**WHEREAS**, along with a general repayment obligation by the Company, Agent and/or Webster-Liberty are secured by, and the Company and the Green Bank are authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty (i) a first priority security interest in all assets of the Company, (ii) a collateral assignment of and security interest in all of the Company's and the Green Bank's right, title and interest in the Tranche 3-2019 SHRECs and all rights and obligations relating thereunder under those certain Master Purchase Agreements for the Purchase and Sale of Solar Home Renewable Energy Credits by and between the Green Bank and each of The Connecticut Light & Power Company d/b/a Eversource Energy and The United Illuminating Company each dated February 7, 2017, each as amended by those certain First Amendments, dated July 30, 2018 (as amended, the "**MPA's**"), which collateral assignment and security interest shall include any and all rights to payment of money under the MPA's with respect to Tranche 3-2019 and those other attributes and rights associated with the Tranche 3-2019 SHRECs, (iii) a collateral assignment of all of the right, title and interest in that certain Sale and Contribution Agreement by and between Green Bank and the Company, dated as of the date hereof including without limitation, any security interest created under Section 2.2(b) of the Sale and Contribution Agreement, and (iv) a security interest in the MPA Collection Account, the Webster Interest Reserve Account and the Liberty Interest Reserve Account (together, the "**SHREC Collateral**"); and

**WHEREAS**, Webster-Liberty has requested, and the staff of Green Bank has recommended that the Board provide additional resolutions ratifying and approving the Loan and the Green Bank's guarantee thereof in accordance with the terms of the Loan Documents.

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank hereby ratifies and approves the formation and organization of the Company and the filing of its Certificate of Organization with the Secretary of State of the State of Connecticut; and be it further

**RESOLVED**, that the Green Bank hereby ratifies and approves the Loan from Liberty-Webster to the Company pursuant to the terms of the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement); and be it further

**RESOLVED**, that each of the Company and the Green Bank be and it hereby is, at the time it entered into the Loan and/or the Guaranty was, authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty a first priority security interest in and to its property, including, without limitation the SHREC Collateral; and be it further

**RESOLVED**, that the Board hereby authorizes, directs, ratifies and approves the Green Bank's entering into that certain (i) Collateral Assignment of Master Purchase Agreements and

Other Loan Documents (“**Collateral Assignment**”), (ii) Pledge and Security Agreement (“**Pledge**”), which constitutes a first priority pledge and security interest to Agent of Green Bank’s 100% membership interest in the Company, and (iii) Guaranty Agreement (“**Guaranty**”; and together with the Collateral Assignment and the Pledge, the “**Guaranty Documents**”); and be it further

**RESOLVED**, that the Board hereby authorizes, directs, ratifies and approves (i) the Green Bank’s execution, delivery and performance of the Guaranty Documents and all of the Green Bank’s obligations under the Guaranty Documents and (ii) the Company’s execution, delivery and performance of the Credit Agreement and the other Loan Documents and all of the Company’s obligations under the Credit Agreement and the other Loan Documents; and be it further

**RESOLVED**, that the actions of Bryan Garcia in his capacity as the President and Chief Executive Officer of Green Bank (“**Garcia**”), Roberto Hunter in his capacity as the Chief Investment Officer of Green Bank (“**Hunter**”) and Brian Farnen in his capacity as General Counsel and Chief Legal Officer of Green Bank (“**Farnen**”; and together with Garcia and Hunter, each an “**Authorized Signatory**”), are hereby ratified and approved with regard to the negotiation, finalization, execution and delivery, on behalf of Green Bank and the Company, of the Guaranty Documents, the Credit Agreement and the other Loan Documents and any other agreements that they deemed necessary and appropriate to carry out the foregoing objectives of Green Bank and/or the Company, and any other agreements, contracts, legal instruments or documents as they deemed necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions are hereby ratified and approved; and be it further

**RESOLVED**, that the Authorized Signatories be, hereby are, and at the time of the execution of the Guaranty Documents, the Credit Agreement and the other Loan Documents were, authorized, empowered and directed, for and on behalf of the Green Bank and the Company (in the Green Bank’s capacity as the sole member of the Company), to execute and deliver the Guaranty Documents, the Credit Agreement and the other Loan Documents; and be it further

**RESOLVED**, that any other actions taken by any Authorized Signatory are hereby approved and ratified to the extent that such Authorized Signatory or Authorized Signatories have deemed such actions necessary, appropriate and desirable to effect the above-mentioned legal instrument or instruments.

**Upon a motion made by Bettina Bronisz and seconded by Mary Sotos, the Board voted to approve Resolutions 10 and 11. Motion approved unanimously.**

#### **4. Committee Recommendations and Updates**

- a. Audit, Compliance and Governance Committee
  - i. APA Recommendations and Staff Responses
  - ii. Board of Director Meeting Attendance

#### **7. Adjourn**

Upon a motion made by John Harrity and seconded by Mary Sotos, the meeting was

adjourned at 1:15 pm.

Respectfully submitted,

\_\_\_\_\_,  
Mary Sotos, Senior Policy Advisor of Energy