



**BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK**
Special Meeting Minutes

Thursday, August 3, 2023
1:30 pm – 2:00 pm

A special meeting of the Board of Directors of the **Connecticut Green Bank** (the “Green Bank”) was held on August 3, 2023.

Board Members Present: Dominick Grant, Thomas Flynn, John Harrity, Robert Hotaling, Lonnie Reed, Brenda Watson, Hank Webster, Joanna Wozniak-Brown

Board Members Absent: Bettina Bronisz, Adrienne Houël, Matthew Ranelli

Staff Attending: David Beech, Larry Campana, Brian Farnen, Bryan Garcia, Bert Hunter, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith

Others present:

1. Call to Order

- Lonnie Reed called the meeting to order at 1:35 pm.

2. Public Comments

- No public comments.

3. Investment Programs Updates and Recommendations

a. PosiGen – Participation in Bridge Financing

- Larry Campana summarized the history of changes to the PosiGen portfolio and recapitalization update leading to the proposed incremental investment of \$121,000. The Green Bank’s current investment is \$245,000 and the proposal is structured to maintain the Green Bank’s ownership position and avoid dilution. PosiGen is looking to do a Series 2 offering between \$350 million and \$450 million evaluation, which could lead to a gain for the Green Bank of approximately \$1 million.
 - Lonnie Reed asked for clarification about PosiGen’s situation given the Inflation Reduction Act and why this is a wise investment. Bert Hunter added that there are federal investment tax credit adders which could benefit several communities within Connecticut so the IRA has been extremely beneficial for PosiGen, despite issues with

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their supply chain and closing tax equity, which have caused liquidity concerns that are actively being addressed.

- Thomas Flynn asked for more details about PosiGen's performance until now. Bert Hunter responded that PosiGen has been performing on budget and that they are current in all their Green Bank financing agreements. Thomas Flynn asked for more information about the public perception of this transaction. Bert Hunter responded that it is perceived very favorably – and noted a recent visit by the Secretary of the Treasury of the United States, Janet Yellen, to PosiGen's headquarters in Louisiana as being indicative of the good standing of the company. He also said that PosiGen is in the process of submitting "Part 2" or a 2-part application to the United States Department of Energy's Loan Production Office under Title 17 using the State Energy Financing Institution provisions which will utilize Green Bank financing (with participation by other lenders).

- John Harrity expressed concern about the perception of PosiGen's anti-union stance and management style. Bert Hunter offered to discuss it further offline and stated the facilities from the DOE LPO and the Inflation Reduction Act will require prevailing wage, Davis Bacon, and other federal requirements that are favorable to labor and that he hasn't been made aware of any other issues concerning unions but is willing to explore it further. John Harrity stated he would provide more information on the matter.

Resolution #1

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

WHEREAS, the Green Bank Board of Directors (the "Board") previously authorized approval for Green Bank's participation in equity financing through the exercise of warrants for 500,000 shares of Series D-3B of PosiGen, Inc. which was exercised in February 2021 (the "Prior Preferred Shares");

WHEREAS, in June 2023 PosiGen has exchanged the Prior Preferred Shares for 7,500,000 shares of common stock of PosiGen Inc. and the opportunity to purchase Series 1 Preferred Stock;

WHEREAS, staff has analyzed a range of potential economic outcomes that could result from the Green Bank's participation (or not) in the Series 1 Preferred Stock and related financing and has concluded that the investment risk is worth the potential upside return associated with the incremental investment, and recommends the Board approve the incremental investment not to exceed \$125,000 as more fully explained in a memorandum to the Board dated August 2, 2023;

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to enter into the Amended and Restated Note Purchase Agreement with PosiGen Inc. and other investors to fully participate in the purchase of a secured convertible promissory note of PosiGen Inc. not to exceed \$125,000, as set forth in the Board Memo;

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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 affect the above-mentioned legal instruments.

Upon a motion made by Robert Hotaling and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

Thomas Flynn left the meeting at 1:53 pm.

4. Executive Session – Personnel Related Matter

Upon a motion made by John Harrity and seconded by Brenda Watson, the Board of Directors entered Executive Session at 1:54 pm.

The Board of Directors returned from Executive Session at 2:10 pm.

Resolution #2

RESOLVED, that the Green Bank Board hereby approves of the discussed severance agreement.

Upon a motion made by Brenda Watson and seconded by Joanna Wozniak-Brown, the Board of Directors voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Adjourn

Upon a motion made by Brenda Watson and seconded by Robert Hotaling, the Board of Directors meeting adjourned at 2:11 pm.

Respectfully submitted,

Lonnie Reed, Chairperson