

Minutes
Missouri Technology Corporation
Friday, October 25, 2013

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, October 25, 2013, beginning at 10:24 a.m. The meeting was held at the Helix Center, 1100 Corporate Square, Creve Coeur, Missouri.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
Jim Baker	Secretary-Treasurer	Absent
Rep. T.J. Berry	Member	Present
Elizabeth Canuteson	Member	Present
Mike Downing	Member designee-DED	Present
Hank Foley	Member designee-MU	Present
Nicole Galloway	Member	Present (by telephone)
Victoria Gonzalez	Member	Present (exited meeting at 2:00 p.m)
Garry Kemp	Member	Present
David Kerr	Member	Present
Dan Mehan	Vice Chair	Absent
Donn Rubin	Member	Present
Sen. Ryan Silvey	Member	Present (by telephone, joined meeting at 10:42 and exited meeting at 12:30 p.m.)
Mike Wetle	Member	Absent

Honorary (Non-Voting) Members of the Board present or absent:

Colonel Williams	Honorary member-FLW	Absent
Ray Tait	Honorary member-RAM	Absent
Nasser Arshadi	Honorary member-RAM	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Acting Executive Director
Tara Dampf	MTC Manager, Finance and Grant Administration
Dan Kaemmerer	MTC Associate
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guests Participating:

Beth Noonan, Helix Center
Cyndra Lorey, Tech 44 Corridor Initiative
Doyle Edwards, Tech 44 Corridor Initiative

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:24 a.m. and established a quorum with ten members present, including Chair Bannister, Rep. Berry, Ms. Canuteson, Mr. Downing, Ms. Galloway, Ms. Gonzalez, Mr. Kerr, Mr. Kemp, Dr. Foley, Mr. Rubin..

Ms. Beth Noonan , Vice President, Innovation & Entrepreneurship at St. Louis Economic Development Partnership welcomed the Board to the Helix Center.

WELCOME NEW BOARD MEMBERS:

Chair Bannister welcomed two new Board members attending the Board meeting for the first time. These members included Dr. Foley and Ms. Galloway.

APPROVAL OF MINUTES FROM PRIOR MEETING:

Chair Bannister asked if there were any comments on the draft minutes of the June 28, 2013 Board meeting, which had been distributed to the Board prior to the meeting. On motion by Mr. Downing, seconded by Dr. Foley, the following resolution was unanimously approved:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on June 28, 2013, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister then asked Director Anderson to present the MTC Executive Director's report. Director Anderson reported that eight IDEA Fund financings closed since the June Board meeting totaling \$1.6 million and leveraging \$2.4 million of capital. Overall, 42 IDEA Fund financings have closed totaling \$12.5 million raising leveraged capital of more than \$58 million. Director Anderson advised the Board that Governor Nixon had released the withheld funding for MTC to allow for use of the total \$6.3 million appropriation in fiscal year 2014. Director Anderson then noted that the third and final disbursement of SSBCI funds was received by the Department of Economic Development after a successful on-site compliance review of the program. Director Anderson then closed his report by reviewing first quarter activities.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

Chair Bannister then asked Mr. Downing to present the Department of Economic Development report. Mr. Downing reported a growth of the economy based on STEM workers in advanced positions. He then invited Board members to the National Convening on Higher Education being held at the Kauffman Foundation on November 16, 2013 and the Missouri STEM Coalition Summit on November 20, 2013. Mr. Downing then highlighted recent DED activities which included receiving funds from the Economic Development Administration for small nuclear reactors, beginning the Export Missouri program in October 2013 and the focus on economic betterment of rural communities. Mr. Downing stated that more information about the activities of DED could be found on the DED website or Missouri Focus newsletter.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister presented the Executive Committee report. He reported that the Executive Committee had met five times since the June Board meeting to approve investment documents and to discuss the 2013 MTC Annual Report. Chair Bannister then opened for discussion the topic of the Annual Report. After a discussion and on motion by Rep. Berry, seconded by Dr. Foley, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby approves the draft 2013 MTC Annual Report presented to this Board in substantially the form presented; and

FURTHER RESOLVED, the Board hereby authorizes the Acting Executive Director to revise the presented draft in such manner as he deems advisable in the best interest of the MTC and to submit the finalized report for publication and submission to the General Assembly.

BOARD GOVERNANCE MATTERS:

Chair Bannister re-nominated Dan Mehan to be Vice-Chair of the MTC Board. On motion by Ms. Canuteson, seconded by Mr. Kemp the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the re-appointment of Mr. Dan Mehan as Vice-Chair of the MTC Board.

Chair Bannister re-nominated Dr. Jim Baker to be Secretary/Treasurer of the MTC Board. On motion by Ms. Canuteson, seconded by Mr. Kemp the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the re-appointment of Dr. Jim Baker as Secretary/Treasurer of the MTC Board.

Chair Bannister re-nominated Victoria Gonzalez, Dan Mehan, Dr. Jim Baker, and Garry Kemp to be members of the Executive Committee.

Chair Bannister re-nominated Dr. Jim Baker to serve as Chair, Elizabeth Canuteson and himself to continue to serve as members on the Audit Committee.

Chair Bannister re-nominated David Kerr to serve as Chair and members Rep. T.J. Berry, Mike, Downing, Mike Wetle and himself to serve on the Investment Committee.

On motion by Ms. Canuteson, seconded by Mr. Kemp the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the re-appointment of members and the respective chairs to the Executive Committee, Audit and Finance Committee, and Investment Committee.

Chair Bannister nominated Nicole Galloway to serve as a member on the Audit Committee. On motion by Ms. Canuteson, seconded by Mr. Kemp the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the appointment of Nicole Galloway to the Audit Committee.

AUDIT AND FINANCE COMMITTEE REPORT:

In the absence of Dr. Baker, Chair Bannister asked Director Anderson to present the Audit and Finance Committee report. Director Anderson presented the FY2014 First Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. After a detailed discussion, and on motion by Mr. Kerr, seconded by Rep. Berry, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 1st Quarter FY2014 Treasurer's Report dated October 14, 2013, as submitted.

Director Anderson then reviewed the renewal policy for the Corporation's Directors' and Officers' Insurance which was distributed to the Board prior to the meeting. He stated that the policy is with Allied World National Assurance Group through broker AHM Financial for a premium of \$9,500, After a

discussion, and on motion by Ms. Gonzalez, seconded by Mr. Downing, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby authorizes the MTC Executive Committee on behalf of the MTC Board to renew the Corporation's Directors' & Officers' Insurance with Allied World National Assurance company through broker AHM Financial for an annual premium not to exceed \$10,000, and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee the full power and authority on behalf of the MTC Board to complete any remaining due diligence and to review, negotiate, and approve any and all agreements, documents, or instruments as may be required or desirable in connection with, or in furtherance of, the foregoing resolution.

Director Anderson then reviewed an invoice from the Missouri State Auditor's Office which was distributed to the Board prior to the meeting. After a discussion, and on motion by Ms. Canuteson, seconded by Ms. Downing, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby authorizes payment to the Missouri State Auditor's Office in the amount of \$39,078 pursuant to the FY2014 MTC Operating Plan.

Director Anderson then reviewed an amendment to the FY2014 Operating Plan as approved on June 28, 2013. The amendment included an adjustment for \$2.6 million in additional SSBCI funds and a \$500 increase in the cost of Directors and Officers Insurance. After a discussion, and on motion by Mr. Kemp, seconded by Ms. Gonzalez, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the FY2014 Operating Plan amendment as presented, to increase the SSBCI program allocations as set forth therein.

CLOSED SESSION:

On motion by Mr. Kerr, seconded by Dr. Foley, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 11:44 a.m. pursuant to Section 610.021 (1), (12), and (17) RSMo, relating to review post award compliance and updates on current audits of the MTC.

Rep. Berry	aye	Mr. Kerr	aye
Ms. Canuteson	aye	Mr. Rubin	aye
Mr. Downing	aye	Sen. Silvey	aye
Ms. Galloway	aye	Mr. Wetle	aye
Ms. Gonzalez	aye	Chair Bannister	aye
Mr. Kemp	aye		

On motion by Mr. Kerr, seconded by Dr. Foley, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves exiting Closed Session at 11:49 a.m.

Rep. Berry	aye	Mr. Kerr	aye
Ms. Canuteson	aye	Mr. Rubin	aye
Mr. Downing	aye	Sen. Silvey	aye
Ms. Galloway	aye	Mr. Wetle	aye
Ms. Gonzalez	aye	Chair Bannister	aye
Mr. Kemp	aye		

BOARD ACTIONS:

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported that the Board took no action during Closed Session.

UPDATE ON UM SYSTEM ENTREPRENEURSHIP:

Chair Bannister then asked Dr. Foley to present an update on University of Missouri System entrepreneurship. Dr. Foley then gave a presentation on advancing Missouri in economic growth through entrepreneurship within the universities and the need for a regional push for innovation and tech-based economic development.

INVESTMENT COMMITTEE REPORT:

Chair Bannister then asked Mr. Kerr to present the Investment Committee report. Mr. Kerr called the Board's attention to the Investment Committee report which was distributed to the Board prior to the meeting. Mr. Kerr reported the MTC received a total of eleven IDEA fund Seed Capital Co-Investment Round 8 applications requesting approximately \$7.3 million in total, six IDEA fund Venture Capital Co-Investment (VCCI) applications requesting approximately \$3.5 million in total, and one Missouri Building Entrepreneurial Capacity ("MOBEC") application requesting \$1 million. The applications were evaluated in accordance with MTC's Investment Guidelines. Eleven applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on October 4, 2013, the Investment Committee recommended five applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including two SEED, and three VCCI applications.

On motion by Mr. Kerr, seconded by Mr. Rubin, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 1:16 p.m. pursuant to Section 610.021 (1), (12), and (17) RSMo, relating to review Investment Committee recommendations and pending IDEA fund authorizations.

Rep. Berry	aye	Mr. Kerr	aye
Ms. Canuteson	aye	Mr. Rubin	aye
Mr. Downing	aye	Mr. Wetle	aye
Ms. Galloway	aye	Chair Bannister	aye
Ms. Gonzalez	aye		
Mr. Kemp	aye		

On motion by Mr. Kerr, seconded by Mr. Bannister, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves exiting Closed Session at 2:34 p.m.

Rep. Berry	aye	Mr. Kerr	aye
Ms. Canuteson	aye	Mr. Rubin	aye
Mr. Downing	aye	Mr. Wetle	aye
Ms. Galloway	aye	Chair Bannister	aye
Ms. Gonzalez	aye		
Mr. Kemp	aye		

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported that the Board took no action during Closed Session. He further stated that, in light of his relationship with BioGenerator and BioSTL, Mr. Rubin exited the meeting and recused himself from the discussion on applications SEED-2013-08-001 and VCCI-2013-08-004 .

ACTION ON INVESTMENT COMMITTEE RECOMMENDATIONS:

On motion by Mr. Kerr, seconded by Dr. Foley, the following resolutions were approved by those non-recused members present at the meeting:

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program contingencies and other contingencies as noted: SEED-2013-08-001 (GeneriCo, LLC) in the amount of up to \$250,000 to match investment made by BioGenerator; SEED-2013-08-010 (RoverTown) in the amount of \$125,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the Corporation to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

On motion by Ms. Canuteson, seconded by Dr. Foley, the following resolutions were approved by those non-recused members present at the meeting:

RESOLVED, the Board hereby approves the following Venture Capital Co-Investment Program awards, subject to satisfying the ordinary program contingencies: VCCI-2013-08-002 (Venture 360, LLC) in the amount of \$200,000; VCCI-2013-08-003 (Kultevat, Inc) in the amount of \$500,000 contingent on additional information as requested by the Board; and VCCI-2013-08-004 (Adarza Biosystems, Inc) in the amount of \$500,000;

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the Corporation to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

UPDATE ON TECH 44 CORRIDOR INITIATIVE:

Chair Bannister then welcomed Cyndra Lorey and Doyle Edwards to present an update on the Tech 44 Corridor Initiative. The pair presented the direction in which the initiative is moving along with its opportunities and challenges. They stated that additional funding from the MTC would help to hire a direct staff person and reach the goals they have set to promote technology, business, people and community development along the I-44 corridor.

After a detailed discussion and on motion by Mr. Rubin, seconded by Dr. Foley, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby approves the Grant Agreement to the I-44 Advanced Technology Corridor d/b/a Tech44 in the amount up to \$25, 000 contingent on a 1:1 match; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Acting Executive Director full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such award; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such award.

UPDATE ON INNOVATION CENTERS/ REVIEW INNOVATION CENTER APPLICATION:

Chair Bannister then asked Director Anderson to update the Board on Innovation Center activities which occurred in the first quarter. Director Anderson informed the Board that the Innovation Center in Warrensburg had shut down due to the lack of matching funds required by the program. The University of Central Missouri has requested that MTC reimburse for the portion of the Director's salary for the time that the Innovation Center was in operation during FY14. He stated that the amount of reimbursement had yet to be determined but would be brought to the Board for approval before payment.

Director Anderson that stated that staff would be requesting proposals from the remaining Innovation Center for additional funding based on performance due to the release of appropriation funds by Governor Nixon. He reminded the Board that performance funding for the Innovation Centers was approved in the FY2014 MTC Operating Plan.

Director Anderson then reviewed an application for Innovation Center designation which was submitted by The Center for Innovation and Entrepreneurship at Northwest Missouri State University in Maryville, MO. The application was distributed to the Board prior to the meeting. After a detailed discussion, and on motion by Mr. Downing, seconded by Dr. Foley, the following resolutions were approved by those members present:

RESOLVED, the Board hereby approves the proposal for Innovation Center designation to The Center for Innovation and Entrepreneurship at Northwest Missouri State University in Maryville, MO.

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such designation; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of

the MTC to execute and deliver all documents relating to such designation.

ADJOURNMENT:

Having no further business on the agenda, on motion by Mr. Kerr, seconded by Rep. Berry, the following resolution was unanimously approved:

RESOLVED, the Board hereby adjourns the meeting at 4:12 p.m.

MEETING ADJOURNED