

**ILLINOISVENTURES, LLC
BOARD OF MANAGERS
MEETING MINUTES
July 11, 2017
10:00 a.m. – 12:00 p.m. CDT
Teleconference**

Call to Order

Chair Ed McMillan called the meeting of the IllinoisVentures, LLC Board of Managers to order at 10:00 a.m. Secretary Designee Karen Higgins completed the roll call and it was determined that a quorum of the voting managers was present on the call. Present on the call and participating in the meeting were:

Voting Managers

Ed McMillan
Brendan Fox
Peter Schiffer
Mitra Dutta
Nate Hoffmann
Michael Tokarz
Suseelan Pookote
Dennis Hesch
Anthony DiTommaso

Non-voting Managers

Walter Knorr
Nancy Sullivan
Ed Seidel
Mike Bass

Absent

Michael Liang

Other Persons

Karen Higgins	Christopher Valera
Tom Parkinson	Jon Gavieta
Chase Bonhag	Kapila Vigas
Kristy Kuzmuk	Arjun Chopra

Introduction:

Chair McMillan noted that this is the last meeting for Walter Knorr who is retiring from the University of Illinois as its Vice President/Chief Financial Officer and Comptroller and who also serves as Treasurer for IllinoisVentures. Chair McMillan thanked and expressed his gratitude for Mr. Knorr's years of service and noted that it has been an honor and privilege to work with him.

Action Item: Approval of the April 4, 2017 Meeting Minutes (Open Session)

No changes or issues were noted regarding the meeting minutes from the Board of Managers open session meeting on April 4, 2017. Chair McMillan **accepted a motion to approve the minutes**

from the April 4, 2017 Board of Managers open session meeting which motion was presented, seconded, and approved unanimously.

Discussion Item: Board of Manager's Secretary Role

Nancy Sullivan discussed an update on the Board of Manager's Secretary role. Specifically, University Counsel of the University of Illinois will be transitioning out of this role for IllinoisVentures and the other applicable University Related Organizations. The Board of Trustees of the University of Illinois will need to approve the amendment of the IllinoisVentures Operating Agreement to remove the designation of University Counsel from the Secretary position and authorize the IllinoisVentures' Board of Managers ("Board") to elect a new Secretary. The Board will then vote on a successor Secretary which will hopefully occur at the October Board meeting. IllinoisVentures' employee, Christopher Valera, will become the new designated lead for preparing minutes of the Board of Managers meetings, subject to review and approval. Christopher Valera will provide the IllinoisVentures' Secretary a draft of the minutes for review and approval while copying counsel and IV's CEO and Managing Director within 30 days of the Board of Manager's meeting. Chair McMillan inquired whether there is any limitation of a University employee serving as a Secretary of which none were indicated. No other comments or questions were noted.

Action Item: Confirmation of Approval of Actuate Investment.

On May 31, 2017, the IllinoisVentures Board of Managers voted unanimously by email to approve an investment of \$150,000 into the company Actuate Therapeutics. The vote was conducted via email due to timing of the investment's closing prior to the July 11, 2017 Board meeting. Each voting Board member individually responded with his and her vote by email. **A motion to approve such investment was made, seconded, and unanimously approved as follows:**

RESOLUTION FOR
MEETING OF Illinois VENTURES, LLC
BOARD OF MANAGERS
July 11, 2017

WHEREAS, at both the January 2017 and April 2017 Board of Managers Meetings, an investment opportunity in Actuate Therapeutics Inc., was presented by the Illinois VENTURES Operating Group;

WHEREAS, at the April 2017 Board of Managers meeting, the Illinois VENTURES Operating Group notified the Board of Managers that additional due diligence would be required in order to make a formal recommendation for an investment into Actuate Therapeutics;

WHEREAS, at the April 2017 Board of Managers meeting, the Illinois VENTURES Operating Group also notified the Board of Managers that the investment opportunity into Actuate Therapeutics' current financing would close prior to the July 2017 Board of Managers meeting.

WHEREAS, at the April 2017 Board of Managers meeting, the Illinois VENTURES Operating Group also notified the Board of Managers that, upon satisfactory completion of the due diligence, the Operating Group may recommend the investment and request a vote in writing via email prior to the July 2017, Board of Managers meeting;

WHEREAS, the Illinois VENTURES Operating Group thoroughly conducted and completed due diligence on the investment opportunity in Actuate Therapeutics and recommended an investment into Actuate Therapeutics;

WHEREAS, on May 31, 2017, Illinois VENTURES Operating Group submitted an investment memoranda defining the terms and recommending an investment into Actuate Therapeutics in writing via email to all members of the Board of Managers, including a majority of the Board of Managers, to take action to approve the investment;

WHEREAS, each voting member of the Board of Managers individually responded with his or her vote directly to the Illinois VENTURES CEO;

WHEREAS, the majority of the voting members of the Illinois VENTURES Board of Managers voted unanimously to make the investment into Actuate Therapeutics per the terms recommended by the Operating Group as follows:

Brendan Fox - voted YES on 5/31/2017
Dennis Hesch – voted YES on 6/1/2017
Ed McMillan – voted YES on 5/31/2017
Mitra Dutta – voted YES on 5/31/2017
Mike Liang – voted YES on 5/31/2017
Nate Hoffmann – voted YES on 6/6/2017
Peter Schiffer – voted YES on 5/31/2017
Suseelan Pookote – voted YES on 5/31/2017
Mike Tokarz – voted YES on 6/2/2017

Anthony DiTommaso – voted YES on 6/3/2017

WHEREAS, it is appropriate for the Board of Managers to ratify this action at its next regularly scheduled meeting on July 11, 2017;

THEREFORE BE IT RESOLVED that IllinoisVENTURES Board of Managers ratifies the unanimous votes of its members to make an investment into Actuate Therapeutics as recommended by the Operating Group.

Information Item: Winner of Magelli Innovation Prize.

Tom Parkinson presented this year’s winner of the Dr. Paul Magelli Innovation Prize in the form of a \$10,000 Simple Agreement for Future Equity (“SAFE”), which was the company Mesh++ (“Mesh”). The CEO of Mesh is a rising senior at the University of Illinois. Mesh placed second at the Cozad competition in 2017. Mesh develops solar-powered mesh networks to provide high-speed internet connectivity for parks and public spaces, outdoor events, construction sites, and in remote rural areas that lack infrastructure. Mesh secured a partnership with the City of Chicago and is rolling out this technology in Chicago parks. Mesh was also accepted into the Hax Accelerator which is the world’s first and largest hardware accelerator. No questions or comments were presented.

Discussion Items: Fiscal Year (FY) 2017 Actual vs. Planned Budget, FY18 Operating Plan, and FY18 Budget Resolution.

Nancy Sullivan discussed the FY2017 Actual vs. Budget Comparison. Ms. Sullivan noted that these numbers will need to be updated in light of the State of Illinois passing a budget. It is anticipated that IllinoisVentures will soon be obtaining information regarding its University appropriations for FY2017 and FY2018 at which time the IllinoisVentures’ actual budget will be updated by email. Walter Knorr noted that the State appropriated \$300 Million to the University for FY2017, which appropriation was greater than in 2015. The state appropriated \$583 Million to the University for FY2018, which appropriation is 10% lower than in 2015. **Until the final appropriation to IllinoisVentures is determined, the Board moved to approve the following FY2018 budget resolution which was seconded and unanimously approved:**

RESOLUTION FOR
MEETING OF Illinois VENTURES, LLC
BOARD OF MANAGERS
July 11, 2017

WHEREAS, at the April 4, 2017 Board of Managers Meeting, the Illinois VENTURES Board of Managers approved a motion to operate Illinois VENTURES under the assumption that its appropriation from the University for Fiscal Year 2017 (“FY17”) will be 55% of the budgeted appropriation for Fiscal Year 2015 (“FY15”) until the earlier of the next Illinois VENTURES Board of Managers meeting on July 11, 2017 or a budget for FY17 is approved by the Illinois VENTURES Board of Managers;

WHEREAS, the State of Illinois (the “State”) has not approved a budget for FY17 and has also not approved a budget for Fiscal Year 2018 (“FY18”), which covers the period of July 1, 2017 through June 30, 2018;

WHEREAS, one source of funding for the University of Illinois (the “University”) is an appropriation from the State;

WHEREAS, the best current estimate of the amount of funding that will be appropriated for FY18 is approximately 55% of the amount that was appropriated for FY15;

WHEREAS, the University of Illinois Board of Trustees will not approve a budget for FY18 until the total amount of FY18 funding from the State is approved;

WHEREAS, one source of funding for Illinois VENTURES is an appropriation from the University; and

WHEREAS, the Illinois VENTURES Board of Managers will not approve a budget for FY18 until the total amount of FY18 funding from the University is approved;

THEREFORE, BE IT RESOLVED that Illinois VENTURES operate its business under the assumption that its appropriation from the University for FY18 will be 55% of the budgeted appropriation for FY15 until the earlier of the next Illinois VENTURES Board of Managers meeting on October 2, 2017 or a budget for FY18 is approved by the Illinois VENTURES Board of Managers.

Discussion Item: University of Illinois at Chicago (“UIC”) Chancellor’s Innovation Fund Proof of Concept Program Update

Kapila Vigas presented an update on the UIC Chancellor’s Innovation Fund (CIF), Proof of Concept (POC) Program. The POC program was extended for an additional year until the end of June 2019 since there are remaining funds allocated to the program. Due to judicious allocations, only \$2.7 Million of the \$5 Million has been expended from the CIF. The POC Phase I awards were funded and the projects are well underway and will hopefully be completed by the end of

summer for Phase II. The next round of awards and competitions will be in the fall of 2017 with a launch date of the week after the July Board meeting. The POC projects are emerging as startup and investment opportunities. The objectives and overview of the POC program were presented in detail on pages 23 and 24 of the Board packet.

Action Item: Board of Managers Meeting Dates for 2018.

A motion was proposed, seconded, and unanimously approved for the following Board of Managers meeting dates for 2018 of which two will be in person and two by teleconference:

January 16, 2018	10a-12pCT	Teleconference
April 10, 2018	11a-2p CT	Chicago in-person
July 10, 2018	10a-12pCT	Teleconference
October 3, 2018	11a-2p CT	Urbana in-person

Discussion Item and Action Item: Stock Management Update

Nancy Sullivan presented an update on IllinoisVentures' public stock holdings: NantKwest and RespireRX. IllinoisVentures sold the remaining 50% of its stock holdings in NantKwest in accordance with the Board's strategy approved at the April 4, 2017 meeting. On April 11, 2017, IllinoisVentures sold 45,861 shares yielding total proceeds of \$130,757.40 with the average share price of \$2.85 and sold the remaining 45,860 shares on June 28th and June 29th 2017 yielding total proceeds of \$366,176.89 with the increased stock price of \$8.00 per share. A portion of such proceeds will be allocated to Chicago ITEC, which co-invested in NantKwest with IllinoisVentures. The NantKwest stock price has steadily declined since IllinoisVentures divested all of its shares.

As approved by the Board at the April 4, 2017 meeting, IllinoisVentures is selling 50% of its holdings in RespireRX. Due to constraints of limited trading volume, IllinoisVentures has sold 3,000 shares to date with total proceeds of \$6,583.14 at the average share price of \$2.19. As of the date of the meeting, IllinoisVentures was holding 16,227 shares in RespireRX, with the share price steadily declining to under \$2.00 per share. •

Action Item: IllinoisVentures Prepaid Debit Card

IllinoisVentures' controller, Jon Gavieta, discussed the need for IllinoisVentures to obtain a prepaid debit card. IllinoisVentures' expenses have been paid through a personal credit card. The prepaid debit card would be funded in increments not to exceed \$1,000 and must be pre-approved by the Treasurer and CEO prior to authorizing its use. **Upon a motion, which was seconded, the following resolution for the prepaid debit card was unanimously approved:**

RESOLUTION FOR
MEETING OF IllinoisVENTURES, LLC
BOARD OF MANAGERS
July 11, 2017

WHEREAS, it is advisable to obtain Prepaid Debit Card privileges for the purposes of charging certain expenses related to the business affairs of IllinoisVENTURES;

WHEREAS, it was determined that a Prepaid Debit Card from Bento or some similar vendor combines the convenience of a credit card with the ability to allow IllinoisVENTURES to pay for certain expenses where the only acceptable form of payment is by credit card;

WHEREAS, the Prepaid Debit Card will be funded in increments of \$1,000 at a time;

WHEREAS, the Prepaid Debit Card will be funded via an electronic funds transfer from IllinoisVENTURES' Busey regular checking account

WHEREAS, all transfers from IllinoisVENTURES Busey regular checking account require an approval by the Treasurer and CEO & Managing Director;

WHEREAS, all new debit transactions to this Prepaid Debit Card require an approval by the Treasurer and CEO & Managing Director;

WHEREAS, all "recurring transactions" (as defined below) to this Prepaid Debit Card require only one approval by the Treasurer and CEO & Managing Director;

WHEREAS, a recurring transaction is defined when a merchant automatically charges this Prepaid Card for the same amount for specified goods or services on a prearranged schedule;

THEREFORE, BE IT RESOLVED that IllinoisVENTURES apply for and obtain a Prepaid Card with a limit not to exceed \$1,000 and that the CEO & Managing Director and/or the Treasurer are the only designated authorized users of the Prepaid Card to charge on that account certain expenses that are reasonably related to carrying out the business of IllinoisVENTURES as

Discussion Item IETF II management Fees.

Nancy Sullivan informed the Board of Managers regarding an error in the calculation of management fees in the management of the Illinois Emerging Technology Fund (IETF) II, which issue will be handled by the IllinoisVentures GP II Board that manages the IETF funds. The Operating Group will work with IllinoisVentures GP II to resolve the reallocation of management fees. The IllinoisVentures team will update the Board on the resolution to this issue.

Motion for Executive Session.

Chair McMillan asked for a motion to move into Executive Session to: (i) discuss and approve Executive Session minutes of the last meeting; (ii) discuss business, marketing and other confidential financial information and strategies pertaining to IETF Fund III which, if disclosed, would cause competitive harm; and (iii) discuss confidential financial and proprietary information of companies currently in IllinoisVentures' portfolio, managed by IllinoisVentures, or in its pipeline which, if disclosed, would cause competitive harm.

Chair McMillan adjourned the Open Session meeting at 10:38 a.m. to move into Executive Session upon a motion which was seconded and passed unanimously.

Open Session Reconvened:

The Open Session meeting was reconvened by Chair McMillan. A roll call was taken and a quorum was present.

Action Item: Approval of Investment in Amber Agriculture

Upon motion made, seconded, and passing unanimously, the Board approved an investment in Amber Agriculture in the amount of \$65,000 in the form of a convertible note contingent on the company attaining cumulative investments of \$400,000, Board Observer Rights, information rights, and waiving the prepayment terms in the convertible note agreement.

Adjournment

Having no other old or new business, upon a motion, seconded, and passing unanimously, the meeting was adjourned at 11:51.

Respectfully submitted,

Karen Higgins
Designee for Secretary

Approved by the Board Managers on October 2, 2017