

FINAL APPROVED
BY BOARD
JAN. 27, 2015

MINUTES
KANSAS BIOSCIENCE AUTHORITY
Board of Directors Meeting

Tuesday, October 28, 2014
8:00 a.m. - 2:00 p.m.
Offices of the Kansas Bioscience Authority
Olathe, KS

Call to Order: A quorum being present, a meeting of the Board of Directors of the Kansas Bioscience Authority was called to order at 8:05 a.m. on October 28, 2014 by Chairman Dale Rodman. Lee Borck, Mr. Ken Buchele, Mr. Earl McVicker, Mr. S. J. Schaub, Mr. Robert Smith, Mr. Jerry Boettcher, Sec. Pat George, Mr. David Murfin, and Mr. Kenny Wilk were in attendance. KBA staff in attendance included Mr. Duane Cantrell, Mr. Kevin Lockett, Mr. John Peryam, Mr. Tony Simpson, Dr. Tom Krol, Mr. Keith Harrington, Ms. Ruth Saale, Ms. Julie Sailors, Ms. Stephanie Meyer, Ms. Mary Cummings, Mr. Gary Micheel, and Ms. Marsh LoScalzo. Sara Shepherd of the Lawrence Journal World was also in attendance.

Review and Approval of Minutes: Chairman Rodman introduced the agenda item of approval of minutes of the July 29, 2014 Board of Director's Meeting.

Motion: Upon motion by the Mr. Borck and seconded by Mr. Buchele, the minutes of the July 29, 2014 Board of Director's Meeting were unanimously approved.

Audit Report: Mr. Buchele introduced Mr. Lockett to discuss the recently concluded audit conducted by Mayer Hoffman McCann, P.C. Mr. Lockett reported that the results of the audit had been clean with no material issues.

Venture Accelerator Report: Mr. Lockett next updated the Board on the general occupancy rates of the Venture Accelerator. Occupancy rates rose for office space compared to last quarter 89% (from 82%) and laboratory space remained flat at 38%. The overall occupancy rate for the Venture Accelerator rose 73% during this time period, up from 61%. The Board then discussed how to increase occupancy levels for the Venture Accelerator, especially with respect to laboratory space.

Executive Session:

Motion: Mr. Buchele moved that the Board of Directors the Kansas Bioscience Authority recess into executive session pursuant to K.S.A. 74-99b07 to discuss financial and operational information and related material of the Authority as it relates to the marketing and operational strategies of the Authority which, in the opinion of the Board, would be harmful to the competitive position of the Authority if disclosed. The executive session will commence at 8:10 a.m. and continue for 2 hours. The Board will reconvene in open session at 10:10 a.m. in this conference room. Included in the executive session will be the members of Board, KBA staff in

attendance, and whomsoever else the Chair invites. The motion was seconded by Sec. George and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 10:10 a.m. at which time a motion was made to extend the executive session until 12:00 p.m. The motion was seconded and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 12:00 p.m. at which time a motion was made by to extend the executive session until 1:00 p.m. The motion was seconded and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 1:00 p.m. at which time a motion was made by to extend the executive session until 1:45 p.m. The motion was seconded and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 1:45 p.m. at which time a motion was made by to extend the executive session until 2:30 p.m. The motion was seconded and unanimously approved.

Return to Open Session: Following Executive Session, the Board of Directors reconvened in open session at 2:30 p.m.

Approval of Audit:

Motion: Mr. Buchele moved that the Board accept the recommendation of the Audit Committee and accept the FY2014 financial audit prepared by Mayer Hoffman McCann P.C. The motion was seconded by Mr. McVicker and unanimously approved.

Approval of Equity Investment:

Motion: Mr. Borck moved that (a) the Board accept the recommendation of the Investment Committee and approve an equity investment in Company X, upon the general terms and conditions as were discussed by the Board in executive session and (b) the KBA's management team be given the power and authority to negotiate, execute, and deliver such contracts, agreements, and other documents as are necessary, advisable, or appropriate, in the sole discretion of KBA management, to facilitate such equity investment in Company X. The motions were seconded by Mr. Buchele and unanimously approved.

Approval of Contract Relationship:

Motion: Sec. George moved that (a) the KBA be authorized to enter into a contractual relationship with Company Y for the purposes discussed by the Board in Executive Session and (b) Duane Cantrell, as the KBA's CEO, and/or Kevin Lockett, as the KBA's CFO and COO, be authorized to negotiate, execute, and deliver any contracts, agreements, and other documents are necessary, advisable, or appropriate, in the sole discretion of either Mr. Cantrell or Mr. Lockett, to facilitate such contractual

arrangement, all upon the general terms and conditions discussed by the Board in Executive Session. The motions were seconded by Mr. Brock and unanimously approved.

Financial Report: Chairman Rodman introduced the agenda item of the financial report of the KBA presented by Mr. Lockett. Highlights included:

- Review of cash and investments.
- Review of cash in/out.
- Review of year-to-date revenues/expenses.
- Review of commitments and payments by commitment.
- Review of funds authorized and committed.

Other Business: There was no other business brought before the meeting.

Adjournment: Upon motion by Mr. McVicker, being seconded by Mr. Schaub and unanimously approved, the meeting was adjourned at 2:45 p.m.