



MINUTES

REGULAR/QUARTERLY MEETING OF WEST VIRGINIA JOBS INVESTMENT TRUST BOARD

JULY 8, 2020

The regular/quarterly meeting of the West Virginia Jobs Investment Trust Board (WVJITB) was held in person and by teleconference on Wednesday, July 8th at 10:00 a.m. at the WVJIT office located at 1012 Kanawha Boulevard, East, Fifth Floor; Charleston, WV. A quorum was confirmed. Those participating were:

CHAIRMAN: Ann Urling, Deputy Chief of Staff; WV Governor's Office (By Phone)

BOARD MEMBERS:

Erica Boggess, Treasurer (By Phone)
Bill Goode (By Phone)
Mark Grigsby (By Phone)
Tim Millne (By Phone)
Ginny Painter (By Phone)
Robert Pepper (By Phone)
Dr. Javier Reyes (By Phone)
Ann Starcher (By Phone)
Senator Eric Tarr, Ex-Officio (By Phone)

STAFF:

C. Andrew Zulauf, WVJIT Executive Director
Michele O'Connor, WVJIT Investment Manager
Brad Sergent, WVJIT Investment Analyst
Wilma Groves, WVJIT Administrative Assistant

OTHERS:

Elizabeth Benedetto; Spilman Thomas & Battle, representing WVJIT (By Phone)
Mark Wise, Founder; InspectionGo, Inc.
Zack Maynard, Co-Founder; WV Labs, LLC
Dr. Joshua Easterling, Co-Founder; WV Labs, LLC

BOARD MEMBERS ABSENT:

Christian Asam
Gale Gray
Dr. Sarah Armstrong Tucker
Robert Welty
Delegate Martin Atkinson, Ex Officio

The Chairman called the meeting to order. The agenda for the meeting and action taken consisted of the following:

I. APPROVAL OF ACTION TAKEN AT AND MINUTES OF THE JANUARY 15, 2020 BOARD MEETING.

The January minutes were presented as the first order of business. The Board had no questions or objections for approval.

MOTION – Approval of Minutes.

Ms. Boggess moved that the minutes of and action taken at the January 15, 2020 board meeting be approved. Mr. Millne seconded the motion. The motion carried.

II. CONSIDERATION OF INVESTMENT IN WV LABORATORIES, LLC.

An investment in WV Laboratories, LLC was the next order of business. Mr. Sergent told the Board that WV Laboratories, a Charleston-based clinical lab service company, seeks an investment of up to \$250,000 to be used for new hires, equipment and working capital needs. The Company co-founders, Zack Maynard and Dr. Joshua Easterling, gave an overview of how WV Laboratories began, its mission and its progress to date. The Company's vision is a WV healthcare system in which streamlined data collection and sharing improves patient outcomes as well as interrupt progression of disease, treat it more effectively, find cures and prevent it.

The Board discussed with the co-founders the background of the management team, market industry status, revenue and wage projections, and the Company's billing specialists with regard to Medicare/Medicaid.

Mr. Sergent concluded the Company has successfully achieved CLIA and COLA accreditation as well as Medicare/Medicaid credentialing that has allowed for engagement with potential clientele. Given the Company's strong strategic partners and experienced management, the WVJIT Executive Director recommends this investment in WV Laboratories, LLC to the Board.

MOTION – Approval of Investment in WV Laboratories, LLC.

After further discussion regarding revenue and billing issues, Mr. Millne moved to approve an investment in WV Laboratories, LLC as presented in the resolution. Mr. Pepper seconded the motion and the motion carried. The resolution, as adopted, reads as follows:

WHEREAS, The Jobs Investment Trust has been requested to make an investment to support the development of a new West Virginia company, WV Laboratories, LLC (the "Company");

WHEREAS, The Executive Director has reviewed and approved this investment in his sole discretion;

WHEREAS, The Executive Director has proposed the following resolution for adoption by the Board; and

WHEREAS, After consideration of the said review and approval by the Executive Director and discussion regarding the circumstances relating to said investment, the Board has determined that said Company (1) is worthy of an investment by the Jobs Investment Trust and (2) will benefit the West Virginia economy and the job creation potential and economic circumstances of the State by, among

other things: (i) expanding a service not readily available; (ii) adding to the state and local tax base; and (iii) creating new jobs; and (3) is otherwise prudent and meets the investment criteria established by the Board.

NOW, THEREFORE, BE IT:

RESOLVED, That the Board hereby approves a loan of up to \$250,000 in WV Laboratories, LLC, with specific terms to be negotiated between the Executive Director for the Jobs Investment Trust and the Company; and

FURTHER RESOLVED, That the Executive Director of the Board shall, in his capacity, negotiate, review, modify and consummate the terms and conditions as laid out in the June 16, 2020 Term Sheet, and execute and deliver all documents related to this investment in WV Laboratories, LLC, determined by the Executive Director to be required or desired, all of which shall be fully authorized and effective upon execution thereof by the Executive Director and shall not require countersigning by other officers of the Board as otherwise set forth in the Bylaws of the Board; and

FURTHER RESOLVED, That the Board hereby approves and ratifies all actions taken by the Executive Director, the Chairman, the Executive Committee and all other officers, agents, and employees with regard to this investment.

III. CONSIDERATION OF “FOLLOW-ON” INVESTMENT IN INSPECTION GO, INC.

A “follow-on” investment in InspectionGo, Inc. was the next order of business. Mr. Zulauf told the Board that InspectionGo, a Morgantown-based home inspection software company, seeks a “follow-on” investment of up to \$250,000 to be used for general working capital needs. The funds will be tranching into two disbursements; the first at closing and the second upon the launching of their home service product offering later in the year.

InspectionGo founder, Mark Wise, was present to give an update on the current status of the Company since the first WVJIT investment of \$500,000 in January. He discussed how the first round of funding went to hiring employees to support product development, as well as hiring a COO. He explained how the negative impact of the COVID crisis brought a slowing of revenue growth along the product line and how management has made temporary but necessary changes to the business model, staff and product roll-out, but are managing to move forward after being approved/funded in late April for a Federal Payroll Protection Plan loan as well as three new funding commitments totaling \$250K.

After further discussion with the Board on the status of the current housing market, the Executive Director recommended that based upon the Company’s strong management team, market and product strategy, and financial support of the Company’s founders and new investors, that this “follow-on” investment in InspectionGo, Inc. be considered for approval by the Board.

MOTION – Approval of “Follow-On” Investment in InspectionGo, Inc.

Mr. Millne moved to approve a “follow-on” investment in InspectionGo, Inc. as presented in the resolution. Mr. Goode seconded the motion and the motion carried. The resolution, as adopted, reads as follows:

WHEREAS, The Jobs Investment Trust has been requested to make a “follow-on” investment to support the development of a new West Virginia company, InspectionGo, Inc. (the “Company”);

WHEREAS, The Executive Director has reviewed and approved this “follow-on” investment in his sole discretion;

WHEREAS, The Executive Director has proposed the following resolution for adoption by the Board; and

WHEREAS, After consideration of the said review and approval by the Executive Director and discussion regarding the circumstances relating to said investment, the Board has determined that said Company (1) is worthy of an investment by the Jobs Investment Trust and (2) will benefit the West Virginia economy and the job creation potential and economic circumstances of the State by, among other things: (i) expanding a service not readily available; (ii) adding to the state and local tax base; and (iii) creating new jobs; and (3) is otherwise prudent and meets the investment criteria established by the Board.

NOW, THEREFORE, BE IT:

RESOLVED, That the Board hereby approves a “follow-on” investment of up to \$250,000 in the form of a Convertible Debenture with specific terms to be negotiated between the Executive Director for the Jobs Investment Trust and the Company; and

FURTHER RESOLVED, That the Executive Director of the Board shall, in his capacity, negotiate, review, modify and consummate the terms and conditions as laid out in the January 6, 2020 Term Sheet, and execute and deliver all documents related to this investment in InspectionGo, Inc., determined by the Executive Director to be required or desired, all of which shall be fully authorized and effective upon execution thereof by the Executive Director and shall not require countersigning by other officers of the Board as otherwise set forth in the Bylaws of the Board; and

FURTHER RESOLVED, That C. Andrew Zulauf is hereby requested and designated by the Board to serve as a member of the board of directors of InspectionGo, Inc.; and

FURTHER RESOLVED, That the Board hereby approves and ratifies all actions taken by the Executive Director, the Chairman, the Executive Committee and all other officers, agents, and employees with regard to this investment.

IV. EXECUTIVE SESSION.

Mr. Pepper moved that, since the Board needs to consider certain matters involving confidential, commercial, financial and/or personal information relating to investments or prospective investments of the West Virginia Jobs Investment Trust, that the Board convene into executive session pursuant to West Virginia Codes §12-7-11 and §6-9A-4.” Ms. Starcher seconded the motion, and the motion was carried. The Board entered into executive session at 11:10 a.m.

No decisions or motions were made during executive session. The Board reconvened into regular session at 11:30 a.m.

V. REVIEW OF MAY 31, 2020 FINANCIAL STATEMENTS.

Mr. Zulauf reviewed with the Board the May financial statements.

VI. OTHER BUSINESS.

PORTFOLIO COMPANY UPDATE

Mr. Zulauf told the Board that the WVJIT portfolio companies continue to be stressed economically due to the COVID crisis and that WVJIT had suspended loan payments due for April and May. Several portfolio companies have received the Paycheck Protection Program funding that will help bridge them for a few months. WVJIT staff continues to be in constant contact with portfolio company executives to keep on top of changing and evolving financial challenges.

TROY, LLC UPDATE

Mr. Zulauf had informed the Board at the January meeting of a possible Troy, LLC acquisition. It has moved forward and an asset purchase agreement has been signed. The closing has been scheduled for July 15th.

VII. ADJOURNMENT.

MOTION - Adjournment.

There was no other business. The Chairman asked for a motion to adjourn. Ms. Boggess moved to adjourn the meeting. Mr. Millne seconded the motion. The meeting adjourned at 11:55 a.m.


Ann Urling
Chairman


Wilma Groves
Board Secretary