

Minutes of the Venture Capital Committee Meeting

The Venture Capital Committee (the "Committee") of the Illinois Finance Authority (the "IFA") pursuant to notice duly given, held its regularly scheduled meeting at 7:30 a.m. on May 8, 2007, in the offices of the Illinois Finance Authority, Two Prudential Plaza, Suite 2555, Chicago, Illinois.

MEMBERS PRESENT:

Juan B. Rivera

MEMBERS ABSENT:

James J. Fuentes

Andy Rice

Vacancy

STAFF PRESENT:

Jill Rendleman

Stuart Boldry

Jose Garcia

Call to Order

The meeting was called to order at approximately 7:35 a.m. with the above members and staff present.

Approval of Minutes

Mr. Garcia asked if any members had any comments regarding the minutes of the Committee's March 13, 2007 meeting. Hearing none, the minutes of the March 13, 2007 meeting were approved.

Review and Discussion of Venture Capital Portfolio

Mr. Garcia briefly reviewed the Venture Capital Portfolio handout noting a total General Ledger Balance of \$5,714,091 and total Market Value of \$7,690,639.

Forest One, Inc.'s offer to be acquired by Westerville (sp?) was briefly reviewed. Mr. Garcia indicated that the acquirer was still in the process of completing due diligence work. The IFA has a general understanding of what the value of Forest One, Inc. is to its shareholders. The closing package was received and forwarded to IFA venture capital counsel for review. The Committee has indicated its approval of the sale pending final review of the closing package by counsel.

Mr. Rivera asked Mr. Garcia about the final market valuation that Forest One, Inc. will receive based on the proposed acquisition. Mr. Garcia reviewed the payout figure for IFA (over \$800,000) and anticipated payout schedule. The transaction should be finalized very soon and documents should be available for the Committee, if interested, next month.

Next, Mr. Garcia and Mr. Boldry discussed a recent visit with VHT (Interactive Visual Marketing Services). They reviewed the original business model (at the time IFA's original investment was made) and noted recent changes to that model, shared by the company, that appear very positive.

Mr. Garcia explained that the company recently completed a second round of funding (\$8,000,000 from a single investor) noting that IFA chose not to participate because VHT is well beyond seed stage. The company is doing very well, generating \$5,000,000 in revenue last year. Mr. Garcia noted that the company's market valuation will probably be adjusted upward upon completion of the next financial review.

New Business

Mr. Garcia and Ms. Rendleman updated the Committee regarding their discussions with OHMX Corporation. A summary of the company was provided as part of the meeting agenda. Mr. Garcia briefly discussed their line of business, noting that OHMX was referred to the Committee by one of IFA's Board members. Presently there are no co-investors which IFA typically requires in order to even consider making an equity investment. OHMX is presently working to identify a co-investor and will provide further information for review as it becomes available. Presently, the company is looking for funding in the late summer, early fall time frame.

News

There was no news to discuss.

Adjourn

The meeting was adjourned at approximately 8:15 a.m.

Respectfully submitted,

J. Stuart Boldry, Jr., Chief Operating Officer