



MINUTES

REGULAR/QUARTERLY MEETING OF WEST VIRGINIA JOBS INVESTMENT TRUST

JUNE 16, 2022

A regular/quarterly meeting of the West Virginia Jobs Investment Trust was held at 1:00 p.m. on June 16, 2022 at the WV Economic Development Authority Conference Room, Northgate Business Park, 180 Association Drive, Charleston, WV. Those participating were:

WVEDA BOARD MEMBERS:

Mitch Carmichael, Chairman
Joseph Eddy, Vice Chairman (video)
Riley Moore (video)
Steven Cutright
Matthew Irby
Brent Wilmoth
Clark Barnes
Robert Hartley

WVJIT STAFF:

C. Andrew Zulauf, WVJIT Executive Director
Michele O'Connor, WVJIT Senior Investment Manager
Wilma Groves, WVJIT Executive Assistant

OTHERS:

Kris Warner, WVEDA Executive Director
Steve Webb, WVEDA Director of Financial Services
Eric Nelson, WV State Senator, Senate District #17
Jason Pizatella; Spilman Thomas & Battle, representing WVEDA and WVJIT

MEMBERS OF THE PUBLIC:

None

Chairman Carmichael confirmed a quorum and called the meeting to order. The agenda for the WVJIT meeting and action taken consisted of the following:

I. APPROVAL/ADOPTION OF WV CAPITAL ACCESS PROGRAM II BYLAWS AND CREATION/COMPOSITION OF WV CAPITAL ACCESS PROGRAM II COMMITTEE.

The Chairman presented the WVCAP II Bylaws and creation/composition of WVCAP II Committee as the first order of business.

Mr. Zulauf told the Board that in May, the U.S. Treasury made the first disbursement of SSBCI funds to the State of West Virginia in the amount of \$21,972,911. The WV Jobs Investment Trust desires to efficiently fulfill its responsibilities as program manager in administering those funds by establishing Bylaws for the creation/composition of the WV Capital Access Program Committee who will review, approve or decline applications based upon compliance with the eligibility criteria established for funding requests.

MOTION – Approval of WVCAP II Bylaws and Committee.

After discussion, Mr. Hartley moved that the Board approve and adopt the WVCAP II Bylaws and approve the creation and composition of the WVCAP II Committee. Mr. Barnes seconded the motion. The motion carried. The resolution, as adopted, reads as follows:

WHEREAS, on March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA") which, among other things, reauthorized and amended the State Small Business Credit Initiative ("SSBCI") Program, to be funded with \$10 billion from the United States Department of Treasury ("Treasury") to help address the economic fallout of the COVID-19 pandemic and lay the foundation for a strong and equitable recovery by providing direct support to states, the District of Columbia, territories and tribal governments for programs that increase access to credit for small businesses;

WHEREAS, the Governor of the State of West Virginia (the "Governor's Office") has designated the Governor's Office as the agency authorized to apply to Treasury for funds under ARPA;

WHEREAS, on February 3, 2022, the Governor's Office filed West Virginia's SSBCI Application with Treasury (the "SSBCI Application"), seeking a total of \$72,104,798 of SSBCI funds;

WHEREAS, the Governor's Office further amended and certified the SSBCI Application on May 10, 2022 and Treasury later awarded \$72,104,798 in SSBCI funding to the State of West Virginia on May 24, 2022 to be disbursed in three separate tranches;

WHEREAS, on May 24, 2022, the Governor's Office entered into an Allocation Agreement with Treasury which sets forth the terms and conditions of the State's participation in SSBCI;

WHEREAS, on or about May 25, 2022, Treasury made an initial disbursement of SSBCI funds to the State of West Virginia in the amount of \$21,972,911;

WHEREAS, pursuant to the SSBCI Application, the Governor's Office has accepted the initial disbursement of SSBCI funds on behalf of the State of West Virginia;

WHEREAS, the Governor's Office has designated the West Virginia Jobs Investment Trust (the "WVJIT") as the contracting entity to implement and administer the SSBCI program on behalf of the State;

WHEREAS, legislative action caused the West Virginia Economic Development Authority ("WVEDA") Board of Directors (the "Board") to assume management and oversight responsibility for WVJIT as of June 5, 2022;

WHEREAS, pursuant W.Va. Code §12-7-6 et seq., as amended (the "Jobs Investment Trust Act"), WVJIT has the power to accept appropriations, gifts, grants, bequests and devises and use and dispose of them to carry out its corporate purposes;

WHEREAS, pursuant to the provisions of the Jobs Investment Trust Act, WVJIT has the power to enter into agreements or other transactions with any federal or state agency, college or university, any person and any domestic or foreign partnership, corporation, association or organization;

WHEREAS, the State of West Virginia's SSBCI program will use SSBCI funds granted by Treasury to the State to provide access to capital for small businesses;

WHEREAS, as the SSBCI Applicant, the Governor's Office has determined that the State of West Virginia's SSBCI program shall consist of (a) a main capital allocation, (b) a very small business allocation and (c) a Controlled by Socially and Economically Disadvantaged Individuals ("SEDI") allocation;

WHEREAS, as the SSBCI Applicant, the Governor's Office has requested that WVJIT cause to be reviewed, approved or rejected applications from lenders and venture capital firms within the State that wish to participate in the State of West Virginia's SSBCI program (collectively, the "Program Participants");

WHEREAS, as the SSBCI Applicant, the Governor's Office has requested that WVJIT cause to be established eligibility criteria for Program Participants which may include, but not be limited to, an evaluation of management and financial capacity, investment track record and portfolio management, review of underwriting guidelines and approval process, review of historic and projected capacity to serve women and minority business owners and businesses located in distressed communities, and such other criteria as provided in the State of West Virginia's SSBCI Application;

WHEREAS, the Program Participants caused by WVJIT to be approved and selected to participate in the State of West Virginia's SSBCI program shall be responsible for originating and underwriting transactions to be funded with the State of West Virginia's SSBCI funds in accordance with their own internal underwriting and credit policies and procedures;

WHEREAS, the Program Participants shall be required to submit applications for SSBCI funding review and approval based upon the procedures set up by WVJIT and eligibility criteria to be established by WVJIT;

WHEREAS, WVJIT, which is expected to be approved as a Program Participant, shall make its investment and lending decisions based upon its own internal policies and procedures and such investments and lending decisions shall require action by WVJIT; and

WHEREAS, on behalf of WVJIT, the Board desires to efficiently fulfill its responsibilities with regard to reviewing and approving Program Participants and with regard to administering the State of West Virginia's SSBCI program by establishing a standing committee of the Board to be designated as the "West Virginia SSBCI Committee."

NOW, THEREFORE, the following resolutions are presented for adoption by the Board; now therefore be it:

RESOLVED, that a standing committee of the Board entitled the West Virginia SSBCI Committee is hereby constituted;

FURTHER RESOLVED, the West Virginia SSBCI Committee shall be comprised of five (5) members who will serve at the will and pleasure of the Board, designated as follows: the Executive Director of WVJIT, a representative of WVEDA, a representative of the West Virginia Small Business Development Center ("SBDC"), a representative of the Women's Business Center ("WBC") and one individual representing Program Participants;

FURTHER RESOLVED, the Board hereby elects Andrew Zulauf of WVJIT, J. Steven Webb of WVEDA, Steve Johnson of SBDC, Nora Myers of WBC, and Marten Jenkins of Partner Community Capital to serve on the West Virginia SSBCI Committee at the will and pleasure of the Board;

FURTHER RESOLVED, the Board hereby delegates to the Chairman the authority to fill vacancies if either of any of the members shall resign their positions on the West Virginia SSBCI Committee until such time as the Board shall meet and elect new Board members to serve on the committee;

FURTHER RESOLVED, the Board hereby determines that a quorum for purposes of holding a meeting shall consist of a majority of the members of the West Virginia SSBCI Committee;

FURTHER RESOLVED, the Board hereby determines that no action may be taken by the West Virginia SSBCI Committee except upon the affirmative vote of at least a majority of those members present at the meeting which must include the affirmative votes of both the Executive Director of WVJIT and the representative of WVEDA;

FURTHER RESOLVED, the West Virginia SSBCI Committee is delegated the full power and authority to do each of the following:

(i) approve and authorize bylaws and/or rules of procedure governing the internal operating procedures of the West Virginia SSBCI Committee;

(ii) establish eligibility criteria for Program Participants;

(iii) review applications submitted by lenders and venture capital firms seeking to participate in the State of West Virginia's SSBCI program and approve or reject those applications on the basis of the eligibility criteria established for Program Participants;

(iv) develop, negotiate and execute memorandums of understanding with each Program Participant which shall, among other things, set forth certain reporting and monitoring requirements that must be satisfied by the Program Participants;

(v) monitor adherence by the Program Participants to the terms and conditions of their respective memorandums of understanding;

(vi) collect, review and monitor quarterly and annual performance reports submitted by the Program Participants;

- (vii) on a quarterly basis, review the transaction pipeline and compare the State of West Virginia SSBCI program's actual versus projected performance goals related to deployment of funds and leverage targets;
- (viii) establish eligibility criteria for applicants seeking SSBCI funds;
- (ix) review, approve or decline applications submitted by Program Participants for applicants seeking SSBCI funds based upon compliance with the eligibility criteria established for funding requests;
- (x) authorize and supervise disbursement of SSBCI funds to the Program Participants;
- (xi) oversee the preparation and submission of all reports to Treasury as required by the terms of the MOU;
- (xii) make recommendations to the Governor's Office as to when or whether the State of West Virginia should draw from additional tranches of SSBCI funds, if available; and
- (xiii) take such other actions as may be reasonably deemed necessary or desirable to fulfill the powers and authority delegated to the West Virginia SSBCI Committee by this Resolution.

RESOLVED FURTHER, the Authority hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Authority and that all deliberations of the Authority that resulted in formal action were taken in meetings open to the public, in full compliance with all applicable legal requirements;

RESOLVED FURTHER, publication in the West Virginia Register of the notice for the regular meeting at which this Resolution was adopted by the Authority's Board is deemed sufficient availability to the news media as contemplated by Procedural Rule 117-2-3.5 of the Authority; and

RESOLVED FURTHER, this Resolution shall take effect immediately upon its adoption.

ADOPTED BY THE BOARD OF THE AUTHORITY at a regularly scheduled meeting held in Charleston, West Virginia, on June 16, 2022.

II. OTHER BUSINESS AND ADJOURNMENT.

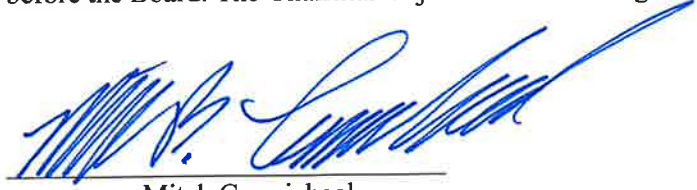
SSBCI 2.0

Ms. O'Connor updated the Board on SSBCI Administrative Fees and Operating Expenses as well as the possible future expansion of staff to help with the load of applications once the SSBCI program picks up speed.

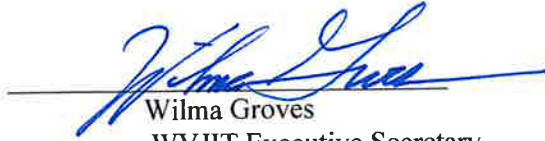
The Board requested from WVJIT a five-year operating plan model within the next six months if possible. Mr. Zulauf agreed and will begin work on it. The Board then discussed their views on the investor market status in West Virginia.

MOTION - Adjournment.

There was no other business to come before the Board. The Chairman adjourned the meeting at 1:15 p.m.



Mitch Carmichael
Chairman



Wilma Groves
WVJIT Executive Secretary