

**Oregon Growth Account Board
Minutes
March 6, 2007**

The meeting of the Oregon Growth Account Board was called to order at 10:32 am by Chair, Randall Edwards.

OGA Board Members Present: Richard Bader, John Castles, Randall Edwards, Tim Phillips, Stan Timmermann, Steve Vincent and Malia Wasson.

Staff Members Present: Ley Garnett, Norma Harvey, Wei Huang, Mike Mueller and Michelle Winegar.

Legal Counsel: Steven Marlowe, Oregon Department of Justice

Consultants Present: Tom Bernhardt, CTC Consulting
J.B. Hayes, CTC Consulting

I. 10:32 am: Approval of Minutes - December 7, 2006

MOTION: Malia Wasson moved approval of the December 7, 2006 OGA Board minutes with corrections suggested by John Castles. The motion was seconded by Stan Timmermann and passed unanimously by the Board.

II. 10:35 am: OGA Investment Plan/Earnings Declaration

Tom Bernhardt and J.B. Hayes of CTC Consulting addressed the Board with their presentation of the OGA account private equity program, previous and projected commitments by Asset category, forecasted cash flows (including the current and projected portfolio investments) and a pie chart reflecting the OGA's alternative investment overview. The OGA Board members discussed buyout versus venture investments with Tom and J.B., the guidelines and limitations the Board faces and benchmarks the Board would like CTC to provide to them on a quarterly basis.

MOTION: John Castles moved that the Board adopt an asset allocation policy of 60% Venture Capital, 30% buyouts and 10% Mezzanine or Special Situation. The motion was seconded by Steve Vincent; after further discussion, Mr. Castles withdrew the motion.

MOTION: John Castles moved that the Board adopt an asset allocation policy of 60% Venture Capital and 40% Buyouts, Special Situation and

Mezzanine, with range parameters of 5% - 10%. The motion was seconded by Stan Timmermann and passed unanimously by the Board.

A policy/benchmark discussion followed. At the request of Steve Vincent, staff agreed to include the OGA policies and procedures in each agenda booklet for reference.

III. 11:45 am: Angel Venture Partners - Recommendation

Wei Huang and Tom Bernhardt addressed the Board regarding the proposal at the December 2006 OGA Board Meeting by Angel Venture Partners. CTC Consulting has completed due diligence and Staff and CTC recommended a \$5 million commitment to the proposed fund. Angel Venture Partners is currently in the market to raise up to \$40 million in commitments for Angel-Leveraged Capital, L.P. The Fund will be focused on direct investments in seed, start-up, and early-stage ventures. It will utilize its extensive network of over 700 angel investors to generate deal flow, while using the operating experience of its principals to build portfolio companies. The Fund plans to broadly diversify its investments across industry segments, though it will focus generally on the IT space. Geographically, it will be focused on the West Coast.

John Castles expressed concerns regarding how much of the commitment would actually be invested in Oregon companies and Mike Mueller discussed the operating side letters in every contract.

After discussion, it was the consensus of the Board to defer action on this item until the June 4th Board Meeting.

IV. 12:05 pm: Adventure Funds - Recommendation

Wei Huang and Tom Bernhardt addressed the Board regarding the Adventure Funds presentation by Tal Johnson during the December 7, 2006 Board Meeting. Adventure Funds is currently in the market to raise up to \$15 million in commitments in order to establish its first investment vehicle, Adventure Fund I, which will make growth capital and buyout investments in the Western U.S. and in particular, the Pacific Northwest. The Fund will focus on companies operating in the consumer products space, with an emphasis on the food and beverage group. Adventure Funds will be managed by Tal Johnson as General Partner, while a relationship will be maintained with Endeavour Capital, an established private equity investor based in Portland, and its partners in order to leverage their expertise, deal flow, networks, and due diligence capabilities.

Tal Johnson updated the Board and answered questions.

MOTION: Tim Phillips moved that the OGA Board make a commitment of \$3 million to Adventure Fund I, L.P. The commitment is subject to satisfactory negotiation of the requisite legal documents by legal counsel working in concert with OST staff. The motion was seconded by John Castles and passed unanimously by the Board.

V. 12:30 pm: Riverlake Equity Partners Fund II, L.P. - Prospective Follow-on Investment

Erik Krieger and Vic Petroff presented information regarding Riverlake Equity Partners Fund II.

It was the consensus of the Board to have a conference call meeting next month to discuss and vote on Riverlake Equity Partners Fund II after the CTC due diligence report is complete.

VI. 12:58 pm: nMax - Prospective Investment

Jay Lindquist presented information regarding nMAX Fund. The nMAX Fund is establishing a \$30 million venture fund focused on early stage investments in nano- and micro-technology based businesses. After Jay's presentation there was a brief question and answer session.

VII. 1:30 pm: OGA Quarterly Account Update

Cash Flow Analysis

Wei Huang reviewed the OGA and Sub-Account cash flow charts indicating distributions, committed capital and available capital as of 2/23/2007.

Portfolio Update (Comments Provided By CTC Consulting)

Tom Bernhardt and J.B. Hayes updated the Board on the activities and performance of the individual funds in the portfolio.

Current portfolio:

Partnership	Commitment	Vintage Year	Asset Class
BDV NW Opportunity Fund II	\$5,000,000	2007	Venture Capital
Blueprint Ventures III	\$5,000,000	2007	Venture Capital
Endeavour Capital Fund III	\$7,000,000	2000	Buyout
Divergent Ventures I	\$5,000,000	2007	Venture Capital
Fluke Venture Partners II	\$2,000,000	2004	Venture Capital
Madrona Venture Fund III	\$5,000,000	2005	Venture Capital
OVP Venture Partners VII	\$7,000,000	2006	Venture Capital
Riverlake Equity Partners Fund I	\$2,000,000	2004	Buyout
SmartForest Ventures	\$6,000,000	2000	Venture

Tamarack Mezzanine Partners	\$1,000,000	1999	Mezzanine
Timberline Venture Partners	\$5,000,000	1999	Venture
Timberline Annex Fund	\$500,000	2002	Venture
Northwest Technology Ventures	\$14,000,000	2002	Venture Capital
“ Inherited assets ORTDA	\$959,659	2002	Venture Capital

Malia Wasson left the meeting at 1:35 pm.

VII. 1:35 pm: Public Comment

Robin Cope, representing Oregon Entrepreneurs Network (OEN), addressed the Board explaining that OEN is a not-for-profit corporation, a network of people with the mantra of dedication to helping the entrepreneurial community of Oregon and Southwest Washington launch, manage and support early-stage ventures with high growth potential in any industry.

A brief question and answer session took place; it was the consensus of the Board members remaining that efforts be made to put Ms. Cope in touch with Angel Venture Partners as a potential resource for OEN.

The meeting adjourned at 1:41 pm.

Respectfully submitted,

Michelle Winegar
Executive Assistant