

NEVADA CAPITAL INVESTMENT CORPORATION

MINUTES OF BOARD OF DIRECTORS MEETING

Tuesday, March 24, 2015

Chair Dan Schwartz called the special meeting of the Board of Directors of the Nevada Capital Investment Corporation (NCIC) to order at 1:32 p.m., on Tuesday, March 24, 2015. The meeting was held via teleconference. Present at the meeting:

Board Members

Chair Dan Schwartz
Richard Bartholet
Jerrie Merritt
Mr. James York
Mr. David Goldwater

Staff

Grant Hewitt,	Chief of Staff
Tara Hagan,	Sr. Deputy Treasurer
Shane Chesney,	Sr. Deputy Attorney General

AGENDA

1) Call to order (Chair Schwartz)

The meeting was called to order at 1:30 p.m.

2) Roll Call (Tara Hagan)

All members were present representing a quorum. Staff indicated the meeting was properly noticed and that the agendas were posted in accordance with the Nevada Open Meeting Law.

3) Public Comment

None

4) Review and possible approval of the Due Diligence Agreement between NCIC and Hamilton Lane Advisors, LLC.

Chair Schwartz stated that during the February NCIC quarterly meeting the Board was clear in its desire to have Hamilton Lane review and vet the proposed Accion investment. He noted the Due Diligence Agreement which was provided to the Board in advance of the meeting would require Hamilton Lane to analyze the organizational structure, management team, financials and past

performance to the extent relevant to the investment, including the investments merits and risks. He stated the Due Diligence Agreement will also require Hamilton Lane to consider the investment's suitability for NCIC based on the Hamilton Lane's understanding that NCIC's objectives are to: (1) increase the availability of micro-loans in Nevada, and (2) to meet or exceed the Permanent School Fund's current investments in non-rated debit securities issues by non-profit organizations. He noted the cost of the Agreement is \$25,000.

Mr. Goldwater questioned whether this meeting and the Treasurer's prior communication were in violation of the Open Meeting Law.

Chair Schwartz explained that he requesting Board members provide any recommended changes to the Due Diligence Agreement to ensure a full discussion at this meeting. He noted all the discussions surrounding the document will be held in this meeting.

Mr. Goldwater asked the Deputy Attorney General if the Board could act on this item and not run afoul of the Open Meeting Law.

Senior Deputy Attorney General Shane Chesney noted that yes he felt comfortable with the communications but noted that email communications are best sent to one member with the others blind copied.

Mr. York questioned if the agreement is directly with Accion without another third party in-between.

Hamilton Lane representatives noted the agreement is to work directly with Accion to obtain the necessary information.

Mr. Goldwater questioned if the agreement is simply to make the investment or if Hamilton Lane is making a recommendation regarding the investment.

Chair Schwartz noted that the Due Diligence Agreement includes a recommendation regarding the investment merits based on the items he previously reviewed.

Hamilton Lane noted that the Agreement will include a decision regarding the merits of the investment as outlined in the Agreement.

Mr. Goldwater inquired as to the legality of the loan and questioned if it ran afoul of the Nevada Constitution.

Senior Deputy Attorney General Shane Chesney noted that he didn't review the Constitution but will do this prior to having the Board enter into the Agreement.

Mr. Bartholet questioned Paragraph I, Subsection C of the Agreement. He asked Hamilton Lane to better explain the purpose of this section.

Hamilton Lane Representatives noted that this Agreement is beyond the scope of its current contract with NCIC. However, it was noted that the firm does often enter into these type of side agreements with

clients to assist with due diligence on various investment opportunities. The purpose of Section C is to ensure the distinction between the investments in the Silver State Opportunities Fund versus those which are allowed as temporary investments in NAC §355.320.

Mr. Goldwater inquired about this disclaimer section and questioned any liability concerns.

Hamilton Lane noted that it does have discretionary control over the SSOF investments but this Agreement would fall outside the SSOF contract with NCIC. It was noted that the purpose as the firm understands it is to benefit Nevadans by increasing micro-loans in the State and to increasing the yield on idle capital.

Ms. Merritt disclosed that her employer has an equity investment in Accion.

Mr. Bartholet disclosed that his employer places loans with Accion but that the loans do not directly benefit his employer.

Senior Deputy Attorney General Shane Chesney noted the disclosures and state that as long as neither member has a conflict, they are free to vote on this action item.

Motion made by Ms. Merritt to approve the Due Diligence Agreement between NCIC and Hamilton Lane, and seconded by Mr. Bartholet.

Mr. Goldwater noted that he will cast his vote with a qualification that the Open Meeting Law was not violated as determined by the Attorney General Office.

Senior Deputy Attorney General Shane Chesney stated that the Board has not violated the law at this time and he will notify the Board should information come to light which is in conflict with this declaration.

Mr. Goldwater stated he is voting no on the motion. He stated he is not comfortable investing \$25,000 in the Agreement and noted it is not a good use of NCIC's monies.

Mr. York stated he is voting no on the motion. He stated this is a mandate which is not consistent with NCIC and noted the difference between an investment in Accion versus current private equity investments in SSOF.

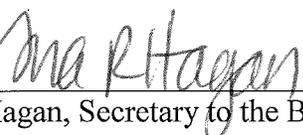
Motion passes three votes in favor versus two in opposition.

10) Public Comment

None.

The meeting was closed at 2:05 PM.

Attest:



Tara Hagan, Secretary to the Board