January 31, 2013

Commissioner Bill Hagerty
c/o Lamont Price
State of Tennessee
Department of Economic and Community Development
312 Rosa L. Parks Avenue, 27th Floor
Nashville, TN 37243

Dear Commissioner Hagerty,

The information provided below represents Memphis Biomed Ventures Tennessee I’s Report on Remaining Designated Capital for the taxable year 2012.

A. At the end of the taxable year 2012, the un-invested portion of Memphis Biomed Ventures Tennessee I’s designated capital, net of qualified tax credit sale expenses, qualified start-up expenses, qualified expenses, and management fees was $8,149,700.24

B. Memphis Biomed Ventures Tennessee I has not invested more than fifteen percent (15%) of its designated capital in any one business.

C. Memphis Biomed Ventures Tennessee I invested in eleven companies during 2012:

   a. Veracity Medical Solutions
      i. Investment amount: $225,000.00
      ii. Number of employees, including minority and women employees, as of initial closing: 21
      iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 21

   b. Hapten Sciences
      i. Investment amount: $700,000.00
      ii. Number of employees, including minority and women employees, as of initial closing: 3
      iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 3

   c. S2 Interactive
      i. Investment amount: $175,000.00
      ii. Number of employees, including minority and women employees, as of initial closing: 2
      iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 3

   d. Tidal Wave Technology
      i. Investment amount: $250,000.00
      ii. Number of employees, including minority and women employees, as of initial closing: 1
      iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 1

   e. Hubble Telemedical
      i. Investment amount: $550,000.00
      ii. Number of employees, including minority and women employees, as of initial closing: 1
      iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 3

   f. Restore Medical Solutions, Inc.
      i. Investment amount: $525,000.00
      ii. Number of employees, including minority and women employees, as of initial closing: 2
      iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 3
g. EcoSurg (Randall Surgical)
   i. Investment amount: $75,000.00
   ii. Number of employees, including minority and women employees, as of initial closing: 1
   iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 2
h. Urova Medical Inc.
   i. Investment amount: $75,000.00
   ii. Number of employees, including minority and women employees, as of initial closing: 3
   iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 3
i. BioNanovations Corporation
   i. Investment amount: $75,000.00
   ii. Number of employees, including minority and women employees, as of initial closing: 2
   iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 2
j. Handminder, Inc.
   i. Investment amount: $25,000.00
   ii. Number of employees, including minority and women employees, as of initial closing: 1
   iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 2
k. Nanophthalmics, Inc.
   i. Investment amount: $75,000.00
   ii. Number of employees, including minority and women employees, as of initial closing: 1
   iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: 2


Thank you,

Gary Stevenson
Memphis Biomed Ventures Tennessee I, LLC