

KENTUCKY HIGHLANDS INVESTMENT CORPORATION

Teaming up for technology: Bell County industrial park is 21st century model



The Bell County Technology and Training Park improves upon the traditional industrial park model by offering programs and amenities aimed at recruiting 21st century jobs.

Building industrial parks became an important economic development recruitment tool in the 1980s. Today, that philosophy is undergoing a metamorphosis. And nowhere is that more apparent than Bell County.

The Bell County Technology and Training Park, which should be completed before the end of the year, combines the model that has proven successful over the past 25 years with programs and amenities aimed at recruiting 21st century jobs.

As the name suggests, training and technology will be a key component at the park. With its location adjoining the Southeast Kentucky Community and Technical College (SKCTC), the location provides convenient access to any needed educational instruction.

SKCTC can customize technical training for all prospective companies. Whether they need workers with Cisco computer certification or a seminar on a particular management style, companies

can rely on the college to provide or hire an instructor for those purposes. Best of all, that training would be at a reduced fee or possibly free to qualified companies because of various grants and government programs.

“It’s a win-win for the company and for the residents who will be trained,” said Ken Jones, president of the Bell County Industrial Foundation. “It also will provide Southeast students with employment opportunities.”

The county currently has an unemployment rate of 9 percent and continues to feel the effect of a decline in the coal industry from previous decades. Although the industry has rebounded, automation has made it less labor intensive. Jones said the county has not yet been able to replace those jobs.

“The ability to diversify into quality technology jobs is a void that we haven’t been able to fill yet,” he said.

Officials believe the new park will change that situation.

“The park’s importance cannot be overstated; it will help to give our region a ‘technology focus,’ around which we can begin to build an industrial base that is future-oriented and in line with development strategies in the most progressive regions in the U.S. and around the world,” said W. Bruce Ayers, president and CEO of Southeast Kentucky

Community and Technical College.

“The fact that several organizations have been around the table as we have planned for the park is most gratifying. I think we are finally beginning to understand in Southern and Eastern Kentucky that our chances for success are increased greatly when we think regionally.”

The total development is 15 acres – the industrial foundation owns nine acres and the college owns six acres, which also will house a specialized training facility for

Continued on page 2.

Contents:

More than money	2
Meritus Ventures	3
Turning sand into profit	3
Company transformed into premier defense subcontractor.....	4
Family business perseveres.....	5
Making the leap from basketball to business	5
Center for Entrepreneurial Growth	6
Certacare’s success	7
Connecting rural Kentucky.....	7
What’s new at KHIC	8

More than money

By Jerry Rickett



When people ask me what Kentucky Highlands does, I tell them about our equity investments, our unique and creative financing tools, our ability to bring public and

private partners together, and how that has led to almost 10,000 jobs in the last 39 years.

I explain KHIC's philosophy that significant reduction in poverty in the area cannot be achieved without economic growth and how we are blessed with a dedicated board and staff. You'll find many examples throughout this newsletter, and I could go on for hours.

But if I had to condense it all down into one phrase, I would say it's about "more than money." Yes, we have been successful in maximizing public and private investment capital in an area of the country that traditional venture capitalists have neglected.

But it's more than that. It's the management assistance that comes with the funding. We provide expertise to emerging companies that typically can't

afford those resources. That management and technical assistance, in addition to the capital, makes KHIC-funded businesses beat the odds to become successful.

Small businesses account for 60 to 80 percent of new U.S. jobs, and they employ 70,000 people in Kentucky, but roughly 80 percent of start-up small businesses end in failure.

We can ensure that entrepreneurs in the community have the best opportunity for success and all possible resources behind them – a solid business plan, strong executive recruitment and access to experts in fields such as intellectual property assessment.

Please take a few minutes to read how KHIC is providing more than money to our community and how the end result is creating jobs, improving the quality of life and bringing new purchasing power to Southeastern Kentucky.

Sincerely,

Jerry Rickett
President & CEO

We have been successful in maximizing public and private investment capital in an area of the country that traditional venture capitalists have neglected.

Investing in Our Community Fiscal Year 2007

Dollars loaned	\$7.6 million
Equity invested	\$.1 million
Total investments	\$7.7 million
Leveraged funds	\$30.9 million
Number of loans	84 loans to 65 companies plus 20 loans to farmers
Total employment at March 31, 2007	9,608

Teaming up for technology *Continued from page 1*

park personnel who work at parks east of the Mississippi River.

Grading work on the nine-acre site, which is adjacent to the Middlesboro Country Club and close to the Middlesboro airport, will be completed this summer. Water, sewer, electrical service and conduit for copper and fiber-optic broadband communications should be finished before the end of the year.

The preliminary plan calls for three facilities on the site. One of them is a LEAP site, which stands for land, excavation, architecture and piers and allows a community to be 120 days from a completed build-to-suit facility once a company signs a contract and obtains all

necessary environmental permits. This condensed time frame is achieved by having all site work, engineering and architectural design approvals and a pier foundation in place prior to marketing the proposed building.

It is a concept successfully employed by Kentucky Highlands Investment Corporation, which has worked with the industrial foundation and SKCTC to make this project a reality.

In Bell County, the LEAP building will be 40,000 square feet but will be constructed to accommodate partition walls that divide the building into suites from 5,000 to 20,000 square feet. Its exterior is designed to complement the

architectural style of the college's Middlesboro campus.

"The ability to expedite construction, while at the same time customize the facility to meet any need, is an attractive selling point for companies that are looking for a place to locate," said KHIC President & CEO Jerry Rickett.

Jones said that there are at least two prospects that are very interested in the park – particularly the emphasis on technology and training.

Funding for the project includes a \$350,000 grant from Appalachian Regional Commission, along with \$369,000 in foundation and coal severance funds.

Meritus Ventures becomes first Rural Business Investment Company in United States



Meritus Ventures, L.P. has earned approval to become the first and only Rural Business Investment Company in the United States.

Most venture capital funds are concentrated in cities, but Meritus will fund investments and help create jobs in rural areas of 10 states, including Kentucky.

“The creation of the Rural Business Investment Company program is very timely because of the need we are seeing from rural areas,” said L. Ray Moncrief, one of the Meritus fund managers and KHIC officer. “This proves that quality private equity transactions can be done in non-traditional areas. It is important for Meritus to be successful in its investing activities because it will act as a conduit for traditional private equity into rural America.”

Meritus is a private, for-profit, venture capital fund established to make equity investments in private companies in predominantly rural areas in southern and central Appalachia.

The general partner of the fund is Eclipse Management, LLC. Meritus Ventures is managed by Moncrief and Grady Vanderhoofven with offices in London, Ky., and Oak Ridge, Tenn.

Meritus begins operations with approximately \$36.5 million under management, one-third of which was raised as equity from private investors and two-thirds of which is private capital raised via the sale of debentures guaranteed by USDA. It will begin investing in companies this year.

In addition to the equity Meritus will invest in companies, the fund managers have an additional \$1 million available for operational assistance at no cost to those companies because of a USDA grant. They can use the operational assistance funds to provide services to Meritus’ portfolio

companies such as intellectual property assessment, executive recruitment and developing marketing plans.

“Meritus is the only venture fund in the country that explicitly and specifically targets investment in companies in rural areas in central and southern Appalachia,” Vanderhoofven said. “It is the largest venture fund in this part of the country. Investing in this region of the country is a process that presents opportunities and challenges different than those found in traditional venture capital markets.”

The fund’s mission is to generate market-rate returns for its investors while promoting shared and sustainable business growth and wealth creation throughout its target region. It will invest \$250,000 to \$2.5 million in companies with strong management teams, high growth potential and defensible competitive advantages.

For more information, visit <http://www.meritusventures.com>.

Turning sand into profit, jobs

It’s not just for beaches. And it’s not just at beaches. Sand is being marketed and sold for construction materials from a site near Pineville, Ky. – a long way from any ocean.

Sand Source LLC extracts, processes and sells sand and pea gravel to golf courses, landscaping businesses and landfills. Within a 50-mile radius of the site, there is an annual market for more than 200,000 tons of concrete sand alone.

“This is a unique site because it is a glacier deposit,” said Elisha Mitchell, who owns Sand Source, along with Melinda Brock. Their husbands run the daily operations and work in sales and customer relations.

“Because the deposits are so good, the high quality of our product sets us apart

from the competition. We also are in a good location – close to a lot of large industries that require concrete sand, golf sand and masonry sand.”

The company started in 2004 with loans from KHIC and Southeastern Kentucky Economic Development in Somerset. The financing allowed them to purchase quarry equipment, lab equipment and a scale building to house the screening and washing operations. Currently, five people work at the site, but Sand Source plans to increase employment by more than 50 percent.

“Sand Source is truly is a unique project and an asset to Bell County,” said SKED Business Development Specialist Michael Bush. “The Mitchells and Brocks have successfully combined their expertise in

the rock quarry, construction and trucking businesses to develop this project, and SKED is pleased to play a small part in making that happen.”



Sand Source got its start in 2004 with loans from KHIC and Southeastern Kentucky Economic Development in Somerset.

Company transformed into premier defense subcontractor



With 350 employees in Monticello and Albany, Patriot Industries has successfully transformed itself into a manufacturer of products for the military.

When you see a soldier who has been deployed halfway around the world, chances are he may be carrying something made right here in Southeastern Kentucky.

Patriot Industries, Inc., with plants in Monticello and Albany, manufactures products for the military. Backpacks, ammunition and radio pouches, and MOLLE (modular light-weight load-bearing equipment) are made by its 350 team members.

The company has made an incredible transformation in the last several years. When it started in Monticello in 1998 as Sports Products, Inc., its 50 team members were manufacturing kids' football uniforms licensed by the National Football League as well as other sporting goods related products.

But like other apparel companies, it couldn't compete with a lower cost labor force overseas.

With both financial and operational assistance from Kentucky Highlands Investment Corporation the company has transformed itself into a premier Department of Defense contractor and subcontractor for military gear, which by law must be made in the United States.

"Patriot Industries provides an

important source of employment in Monticello and Albany," said Ray Moncrief, KHIC's executive vice president and chief operating officer. "They have been successful in adapting to a changing market and utilizing their strengths to provide stable and increasing employment opportunities in the area."

Kentucky Highlands introduced the company to Specialty Defense Systems, which also has received assistance from KHIC. It has been a successful collaboration with a majority of Patriot Industries' work now coming as a subcontractor to Specialty Defense.

Kentucky Highlands also helped Patriot Industries apply for and receive certification as a socially and economically disadvantaged business as well as the designation as a HUBZone business, meaning that it is located in a historically underutilized business zone. Those designations give Patriot and its partnering prime contractors an advantage when competing for contracts.

Jack Mills, Patriot's chairman and CEO, credits KHIC for providing equity and operating capital as well as management expertise, largely through Moncrief, who serves on the board of directors.

"The other key reasons for Patriot's success are manufacturing quality products, shipping goods on time to customers and pricing that is competitive," Mills said.

Though it has survived and now is thriving as a subcontractor for military products, Patriot also is starting to get back into the sports apparel market through a contract with T3K Wear, Inc. in Knoxville. It is manufacturing light-weight, form-fitting athletic apparel, which uses fabric that provides moisture management and antimicrobial protection.

By the end of the year, Patriot Industries expects that its work force will increase by 42 percent over December 2006.



Family business perseveres, expands in Owsley County

It started with a father's dream to build a family business that would provide much-needed jobs in Owsley County for his two sons. Sam Thomas started a logging business in 1980, and his sons Wallace and Willard helped him – after school and every chance they got.

However, in January 1987, a tragic accident took their father, which left them the owners of a logging business at the ages of 16 and 18.

Their first loan from the bank was \$600 to buy a new chainsaw. They borrowed money to buy timber or cut it by percentage with the land owner and worked six days a week, 10 to 12 hours a

day to keep the business operating.

“Our goal is to have a strong and successful business that not only supports us but also creates jobs for others,” Wallace Thomas said. “Almost every time you see Owsley County in the news, everyone is poverty stricken and poor. We want to help change these statistics and help make the county a better place to live.”

With several upgrades in equipment and hard work, the brothers decided to make a major business decision in 2004 to expand their business and become Thomas Brothers Sawmill, Inc. They built all the buildings, poured all the concrete floors and put in all the electric. Then, they

purchased all the equipment they needed by using four different finance companies and the local bank. After everything was up and running, they hired about 15 employees and started sawing lumber.

“We hope to better our community by creating jobs and establish a local log yard for loggers to have a closer place where they could haul, instead of having to travel to sawmills in other counties,” Willard Thomas said. “This would be a benefit to both of us. We would receive logs, and loggers would have a closer place to haul. Considering the high price of fuel, a closer log yard would save them a lot of money.”

Continued on page 6.

Making the leap from basketball to business



Jeff Sheppard has received assistance from KHIC to build his business, 15inc., a high-end custom apparel company in London.

In the '90s, University of Kentucky basketball player Jeff Sheppard excited fans with his ability to ignite an offense with his leaping prowess and long-range shooting. Today, this high-flying guard is still running his own offense, but now he's working his ground game.

He has spent the past four years traveling the state, networking at golf tournaments and chamber of commerce meetings to build his business, 15inc.

Sheppard's high-end custom apparel company specializes in golf, polo and

button-down shirts as well as caps. Banks, insurance companies and golf tournaments are his main clients.

“I like the challenge of pursuing my dream,” said Sheppard, who got his start through a microloan and line of credit from Kentucky Highlands. “For so long, it was basketball.

“Now, the challenge is the same – to get to the top. It's just in another field now.”

After playing basketball at UK and professionally, Sheppard worked for corporations selling pharmaceuticals and other products. He then discovered that he wanted to be his own boss and would draw on his basketball experiences to build his own business.

“I try to apply those lessons in everything I do,” Sheppard said. “Work ethic, mental toughness, the ability to make a decision in difficult circumstances or when you're fatigued – all of those aspects are important to building a winning team.”

Sheppard got a taste of the apparel business through basketball camps, where he sold UK T-shirts and hats, which then evolved into his own company. He credits KHIC with helping him wait until the

timing was right to grow his business.

“I see them as teammates,” Sheppard said. “They help me make good decisions. The biggest help is that they've been straightforward. When the timing wasn't right, they pulled in the reins.”

After starting his business in 2002, the timing was finally right. In April, Sheppard moved 15inc. from Louisville to the London Industrial Park, where he employs a graphic designer and warehouse manager. New Life Industries in Somerset serves as the fulfillment company on the orders.

“My family is here,” he said. “I love Southeastern Kentucky. It's a great place to be.”

Sheppard also looks forward to a time when he can increase the number of jobs he is providing in the region.

“It goes back to building a team,” he said. “Just like when you recruit players, you are developing relationships with employees that go beyond performance. You get to be part of influencing people's lives and helping them.”

At age 32, Sheppard is still running an aggressive offense – this time in business rather than basketball.

Center for Entrepreneurial Growth fosters creation of high-paying jobs

Having access to former executives of Fortune 500 companies and successful entrepreneurs...

Coaching from business leaders who have more than 20 years of hands-on experience running a business...

Participating in an entrepreneurial management development training program...

Those are tools that most budding entrepreneurs dream about. But at the Center for Entrepreneurial Growth (CEG), those assets are a reality. Located at the Oak Ridge National Laboratory in Oak Ridge, Tenn., for the past five years, the center has expanded its operations to London, Ky.; Knoxville, Tenn.; and Asheville, N.C.

This expansion has increased the number of companies helped by the center to more than 140.

In 2006 alone, 60 companies out of the Oak Ridge National Lab-based program produced 235 jobs with an average annual salary of \$64,000 and raised about \$14 million in capital.

"The key to success is that our CEG directors have been involved in start-ups at all levels of development, and we have created a process and programs to help companies and entrepreneurial management teams succeed," said CEG Director Bob Wilson, who also serves as CEG program and incubator director for Kentucky Highlands.

"What makes the center's programs different is that we are not focused on real estate or incubation but on the companies and their business development needs that lead to economic impact and sustainable operations. Our focus is on knowledge transfer. Jobs and economic impact flow from good companies, strong plans and solid management teams."

CEG was initially created through a partnership with UT-Battelle and has now expanded into Kentucky through KHIC's sponsorship.

In addition to helping companies prepare for raising capital, the center helps companies' management teams develop sustainable, fundable and liquid

companies; and supports companies that are located at the KHIC incubator facilities.

"We are very appreciative of the help and support we've received from many organizations in the region, including Tech 2020's CEG program, the University of Tennessee and Oak Ridge National Laboratory," said Joe Matteo, CEO of NanoTek, LLC. "With their continued help, I think we can develop a significant new technology company headquartered here in East Tennessee."

KHIC expects to see this same impact in Kentucky based on the program with the CEG.

The key to success is that our CEG directors have been involved in start-ups at all levels of development, and we have created a process and programs to help companies and entrepreneurial management teams succeed.

Family business *Continued from page 5*

Thomas Brothers was not without its rough patches, though. After being in business for a few months, they began to notice the financial aspect of the sawmill business was just the opposite of the logging business.

In the logging operation, they are paid weekly; but in the sawmill operations, it takes from 10 days to 45 days to be paid. This caused a financial hardship because they had paid for all of the building and electrical materials as they were installed and financed the equipment, causing cash flow to be low.

With the cost of insurance, workers compensation, payroll, taxes and log prices, they struggled for two years trying to keep everything going.

In August 2006, after reading an article mentioning Kentucky Highlands Investment Corporation, they got on its website and read about KHIC's financial assistance for economic development projects.

With the help of KHIC, Thomas Brothers decided to complete a total refinance with KHIC, MACED (Mountain Association for Community Economic Development) and Farmers State Bank, which lowered their monthly payments by half, making the financial side of the business run a lot smoother.

"The main reason MACED invested in Thomas Brothers Sawmill was to help preserve more than a dozen jobs in a county (Owsley) with a relatively small

population and somewhat limited employment opportunities," said Greg Doyle, loan fund manager for MACED.

"In many larger counties, this number of jobs would be considered pretty insignificant. However, in Owsley County 12+ jobs can have a substantial impact on the local economy.

"We would not have been able to make such an investment just to save some jobs temporarily if we did not feel that the management team of the company has the skill and determination to sustain the recent success of the business. MACED believes the business has a good opportunity to continue growing and creating more jobs over the next couple of years."

Certacare's success creates jobs, improves health care



Dr. Tracy Cross is one of three partners in Certacare, a health-care company that has grown from eight employees less than a year ago to 46 employees. Barry Frost and Kevin Miller are the other owners.

When an investment creates jobs, it is considered a success. Then add high wages, good benefits and the improvement of rural health care, and you've got Kentucky Highlands' investment in Certacare, LLC.

Headquartered in Albany, the company was formed in 2006 to provide home infusion therapy to out-patients and

recently released hospital patients in southern Kentucky. Home infusion therapy involves administration of medications such as antibiotics and chemotherapy.

It has grown from eight employees less than a year ago to 46 employees today, with benefits that include medical insurance, paid holidays, vacation and sick days.

Certacare was formed and is equally owned by Barry Frost, Kevin Miller and Dr. Tracy Cross. Mr. Frost is a pharmacist from Columbia who has retail pharmacies there and in Greensburg in addition to owning Columbia Medical Supply, a retail medical equipment company with five locations. Mr. Miller is a pharmacist in Greensburg; and Dr. Cross is a general surgeon and certified public account accountant in Albany.

"This is exactly the type of company that KHIC sees as a model investment," said Jerry Rickett, president & CEO of Kentucky Highlands. "The jobs are high paying and won't move out of state

because of the nature of the work and the fact that the owners are natives of the area. We are always excited to foster the entrepreneurial spirit of Kentuckians."

Kentucky Highlands Investment Corporation has provided the company with loans through the Empowerment Zone and the USDA's Rural Business Enterprise Grant program for equipment, inventory and working capital.

The initial plan for Certacare was to provide service in nine counties -- Clinton, Russell, Cumberland, Wayne, Pulaski, Green, Adair, Taylor and Casey.

However, the company believes there are significant opportunities in the market for home infusion and has developed a business plan to grow to 100 locations in eight states. Certacare will be opening a new pharmacy in Albany on July 1, giving the company four pharmacies (Greensburg, Columbia, Russell Springs and Albany) and two full infusion centers. The plan is to grow to 12 locations by the end of 2008.

Connecting Southeastern Kentucky to the world



By installing fiber optic cable in rural Kentucky, SouthEast Telephone of Pikeville is helping residents better prepare for a 21st century career and compete in a global economy.

Communication – it is the key to competing in a global economy and preparing students for a 21st century career.

Unfortunately, while some Kentucky communities take for granted that they can connect with the world in mere

seconds, other areas do not have high-speed Internet access. That's changing with the ConnectKentucky initiative and the help of corporations like SouthEast Telephone.

SouthEast Telephone is installing fiber optic cable for the city of Pikeville, the Danville City Public School System and the Lincoln County Public School System. More than 50 miles of state-of-the-art fiber optic cable is being deployed.

"This level of teamwork – through the efforts of companies like SouthEast Telephone – is making Kentucky a better place for business and a better place to live," said Brian Mefford, president and CEO of ConnectKentucky, a public-private, not-for-profit that is funded through state, federal and private dollars

with the goal of improving technology deployment, use and literacy in Kentucky.

"Together, we are leveraging the latest in technology and networking to ensure that Kentucky remains the place of choice to work, live and raise a family."

Currently, 92 percent of Kentucky homes can access broadband, on track to reach 100 percent availability by the end of the year, according to ConnectKentucky. It estimates that 504,000 previously unserved households can now access broadband as private sector investment in telecommunications infrastructure has reached an unprecedented level in Kentucky at \$667 million.

"The school systems that are served
Continued on page 8.

What's new at KHIC

Small Business Association names KHIC Microloan Lender of Year

The U.S. Small Business Administration named KHIC as the SBA 2006 Microloan Lender of the Year in Kentucky.

"We are proud of our partnership with Kentucky Highlands and its commitment to development of small business through the SBA Microloan Program," said Steve Ayers, SBA's district director of the Kentucky district office.

Kentucky Highlands made 43 microloans for a total value of \$784,000 in 2006 using the SBA program, which provides small loans ranging from \$500 to \$35,000. About half of the loans were made to farmers.

Through the microloan program, the SBA makes funds available to nonprofit intermediaries such as KHIC, which, in turn makes the loans directly to entrepreneurs. Proceeds can be used for business purposes such as working capital, equipment, inventory and leasehold improvements.

Board members honored for years of service
In the last year, Kentucky Highlands honored several members for their years of service:



Chairman Bill Singleton, a business owner in Stearns, 30 years in November 2006;



Robert Druin, a school maintenance worker in Clinton County, 30 years in September 2006;



Jennifer Jones, former judge-executive of Bell County, 20 years in December 2006;



Janie Carter, an associate professor at the University of the Cumberlands in Williamsburg, 10 years in March; and



Serena Stratton, who also serves on the boards of Rockcastle County Public Library and the Rockcastle County Vocational School, five years in March.

"One of the key reasons that Kentucky Highlands has been successful in creating almost 10,000 new jobs is the long-standing dedication, determination and diversity of our board," said Jerry Rickett, KHIC's president & CEO.

New staff members join KHIC



Michelle Hacker joined Kentucky Highlands in April as an administrative assistant and receptionist. She graduated from Jackson County High School and most recently worked at Mid South Electronics.



Judy Duerson was hired in January and serves as an accountant. A native of Rockcastle County, she graduated from Brodhead High School and attended Cumberland College and Eastern Kentucky University.

Previously, Duerson worked for more than 30 years at the Cumberland Valley Area Development District.

Connecting Southeastern Kentucky *Continued from page 7*

with our fiber will not only have the best technology available right now but also will ensure access to ideas and products that have not even been thought of today," said Darrell Maynard, president and founder of SouthEast Telephone. "In addition, local economic development leaders will be able to tell companies they are recruiting that our communities are committed to providing high-tech services that are necessary to compete in today's global economy."

Maynard credits KHIC with helping SouthEast Telephone as it continues to upgrade and expand its local, long distance, Internet and paging services to more than 45,000 business and residential

customers in 52 rural Kentucky counties. The company's efforts also have been recognized for two consecutive years as one of the Best Places to Work in Kentucky by the Kentucky Society for Human Resource Management and the Kentucky Chamber of Commerce.

"KHIC and Elmer Parlier, in particular, have been instrumental in providing the support and encouragement necessary to see beyond the basic technology needs of rural Kentucky," Maynard said. "They see the role of SouthEast Telephone – along with all of the small independent telecommunications companies in Kentucky – as the means for Central and Eastern Kentucky consumers

to receive the same state-of-the-art technology that metropolitan markets enjoy today."

KHIC's initial involvement with SouthEast Telephone occurred when its subsidiary Mountain Ventures partnered with River Cities Capital Fund of Cincinnati to provide venture capital to the company in 1998, and additional investments have been made as the business grew.

As a Small Business Investment Company licensed by the U.S. Small Business Administration, Mountain Ventures makes investments of up to \$250,000 in private, for-profit companies in KHIC's 22-county area.