

Minutes Not Approved as this was the last meeting of the Agriculture Committee before adoption of Resolution 2015-0709-AD09 (Resolution Organizing the Committees of the Illinois Finance Authority)

MINUTES OF THE MARCH 10, 2015, MEETING OF THE AGRICULTURE COMMITTEE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held an Agricultural Committee (the "Committee") Teleconference Meeting at 8:30 a.m. on Tuesday, March 10, 2015, at the Chicago Office of the Illinois Finance Authority, Michael A. Bilandic Building, 160 N. LaSalle St., Suite C-800, Room S-801, Chicago, IL 60601.

Board Members Participating:

Staff Participants:

Others Participating:

Edward Leonard, Sr., Chairman
Mike Goetz
Roger Poole
Brad Zeller

By Telephone:
Christopher Meister, Executive Director
Rich Frampton, Vice President
Patrick Evans,
Ag Lender/Rural Development Financial Analyst
Lorrie Karcher, AG Program Coord./Office Mgr.

None

I. Call to Order and Roll Call

Committee Chairman Leonard called the Committee to order at 8:30 a.m. and asked Ms. Karcher to call the roll. Ms. Karcher called the roll with the above Members present. Mr. Leonard declared the quorum had been met.

II. Review and Approval of December 5, 2014 Regular Agriculture Meeting Minutes

The Agriculture Committee reviewed the Minutes of the December 5, 2014, Agriculture Committee Meeting. Mr. Poole moved to approve the Minutes and Mr. Goetz seconded the motion.

III. Project Discussions

Ms. Karcher presented the following project to the Committee for review:

Beginning Farmer Bonds (One-Time Final Resolution)

1A) Clark, Dustin J. & Lauren R. – \$190,000 – 48 acres of farmland

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$190,000 for the purchase of approximately 48 acres of farmland. This project is located in St. Marie and German Townships, Jasper and Richland Counties, IL.

Mr. Zeller moved for approval of the above projects and Mr. Poole seconded the motion. The motion was followed by unanimous approval of the Committee.

State Loan Guarantee (One-Time Final Resolution)

Mr. Evans presented the following project to the Committee for review:

1B) Peterson, Edward and Connie – Working Capital - \$240,000

Edward and Connie Peterson is requesting approval of an Working Capital Guarantee (*Final One-Time Resolution*) in amount not-to-exceed \$240,000. The proposed loan of \$240,000 is to provide working capital for the Peterson's. Collateral will be a first blanket security interest in all farm

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assets (crops, inventories, equipment, A/R, etc.) with an anticipated gross crop revenue of \$304,741 and a 2nd RE mortgage on 157 acres with a net equity value of \$44,800. Additional terms and conditions are required which include the following:

1. The Bank shall obtain a 1st UCC position on crops, inventories, equipment, A/R, etc.
2. The Borrower shall sell a tractor (as contemplated) to pay off existing debt of \$68,808 to CHS.
3. The Bank shall require joint checks on all proceeds from crops, inventories, equipment, A/R, etc. be applied to this loan
4. The Bank shall require that the Borrower maintain a revenue crop insurance policy of 85%.
5. The Bank shall obtain evidence to substantiate a 2nd Mortgage position on the 157 acre parcel subject to a 1st Mortgage not to exceed \$960,000 (Alpine Bank).
6. The term of the IFA Guarantee on the subject Note shall not exceed one year.
7. Confession of Judgment will be identified on the Note (to provide additional recourse against the Borrower's personal assets, if necessary).

This project is located in unincorporated DeKalb County, near Kingston, IL.

Mr. Leonard called for a vote. Roll was taken. Mr. Goetz seconded the motion. The motion was followed by unanimous roll call approval of the Committee.

IV. Other Business –

A) Amendatory Resolutions

- i.* Resolution to authorize a release of 20 acre of farmland from an existing Beginning farmer Bond loan on Rex Gehrig held by The State Bank of Speer and the Illinois Finance Authority, relating to Beginning Farmer Bond #2008-09-0002.

Mr. Goetz moved for approval of the above projects and Mr. Poole seconded the motion. The motion was followed by unanimous approval of the Committee.

B) Working Capital Guarantee Criteria

- ii.* Presented for review and comment were the Working Capital Guarantee credit criteria guidelines which was signed into laws subsequent to development of IFA's Lending Criteria in December 2009. Upon implementation, these lending guidelines would be used to present and evaluate proposed Working Capital Guarantee loans to IFA's Credit Review Committee and Board of Directors. It was discussed and agreed to use and continue to evaluate the Working Capital projects as they are presented.

V. Adjournment

Committee Chairman Mr. Leonard asked if there was any other business before the Committee. Hearing none, Mr. Leonard adjourned the meeting at 9:00 a.m.

Minutes submitted by:

Lorrie Karcher
Agriculture Program Administrator