

**MINUTES OF THE JULY 30, 2010 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 Teleconference Meeting at 9:15 a.m. on Tuesday, July 30th, 2010 at the Chicago Office of the Illinois Finance Authority, 180 North Stetson, Suite 2555, Chicago, IL 60601.

Board Members

Participating:

Chairman Edward Leonard
Bradley Zeller
Michael Goetz

Staff Participants:

Christopher Meister, Executive Director
Rich Frampton, VP
Brendan Cournane, General Counsel
Ahad Syed, Administrative Assistant

Others Participating:

None

By telephone: Eric Reed, Downstate
Regional Manager

GENERAL BUSINESS

Call to Order and Roll Call

Roll call was taken by Administrative Assistant Ahad Syed at 9:16 a.m. with the above Board Members and IFA staff. Chairman Leonard noted that a quorum was established.

Approval of Minutes

Chairman Leonard motioned to approve the June 1st, 2010 and July 6th, 2010 Minutes of the Agriculture Committee. Mr. Zeller seconded the motion followed by a unanimous approval of the Committee.

Discussion of Projects

Mr. Reed presented the following projects to the committee:

Brock Gittleson - \$207,500 – 50 acres

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$207,500 for the purchase of approximately 50 acres of farmland. This project is located in unincorporated Lee County, near Amboy, IL.

Mr. Goetz motioned for approval of this project and Mr. Zeller seconded the motion. The Committee concurred that this project be recommended for Board approval.

Dean and Cynthia Lundeen – Amendatory Resolution

Request for approval of allowing release of 1,000 shares of Castle Bank stock currently held as collateral on an IFA Guaranteed Loan.

Mr. Goetz motioned for approval of this project and Mr. Zeller seconded the motion. The Committee concurred that this project be recommended for Board approval.

Jody G. and Angelica E. Mollet – Amendatory Resolution

Resolution to request Approval regarding (1) the Release of Angelica E. Mollet from personal liability and (2) the Release of an assignment of Life Insurance on Angelica E. Mollet in the amount \$50,000 on an IFA Young Farmer Guarantee by the Bank of Edwardsville to Jody G. Mollet.

Director Meister explained to the Committee that the Jody and Angelica Mollet request will be informally forwarded to the Committee of the Whole for approval and will not be voted on at this Committee hearing.

Other Business

Director Meister made his case for reviving the statutory authority to contract with the University of Illinois-Urban Champaign (UIUC) for farmers and agribusiness. He began with explain that while agriculture advisors in the city are knowledgeable they lack the clarity and nuance of individuals living in or near rural areas that earn their livelihood directly from agriculture and agri-business. Furthermore, Director Meister stated that such a relationship is encouraged in the IFA statute and that the interest derived from the two state appropriated Agriculture Guarantee funds provides an independent revenue stream to support the costs of reviving this relationship.

Director Meister laid out his plan to the Committee as follows:

1. An agriculture specialized financial advisory service – a second set of eyes particularly on the Agriculture Guarantee projects – these are the equivalent of State full faith and credit guarantees – preferably these services would be performed by an experienced individual– this is the area of greatest need and highest priority
2. Updating IFA agriculture policies and guidelines in light of best practices nationally
3. Determining how best to use the University of Illinois Extension system to market IFA agriculture products
4. Exploring reporting on trends in the Illinois agriculture economy periodically to the Board
5. Focusing on doing these projects within a reasonable cost

Director Meister asked the Board Members if they were comfortable with this plan and if the University of Illinois was the right candidate for the task.

The Board Members expressed their pleasure at the prospect of utilizing the IFA's statutory authority and reviving the relationship with the UIUC.

Adjournment

Chairman Leonard asked if there was any other business before the Board. Hearing none Chairman Leonard motioned to adjourn and Mr. Goetz seconded the motion. This was followed by a unanimous approval of the Committee.

The meeting adjourned at 10:02 a.m.

Minutes submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary