



## September 10, 1999 Meeting Minutes

### Board of Directors Meeting

Chairman Tom Urban called the meeting to order at approximately 1:00 p.m. on September 10, 1999. The meeting was conducted in the Conference Room at the Wallace Foundation Learning & Outreach Center in Lewis, Iowa. Prior notice was provided to the Iowa Department of Economic Development under the terms of the loan agreement with the Department.

In attendance were the following Board Members:

- Duane Acker       Steve Morain       Jeff Plagge
- Tom Urban

Jack May, Leslie Miller and Wayne Seaman were unable to attend the meeting.

Also in attendance and participating in the meeting were the following individuals:

- Dan Winegarden, President.
- Dianna Rampy, Enterprise Iowa
- Bob Helmick, Dorsey & Whitney corporate counsel.
- Tom Steen, Cybus Group.
- Bryan Borchert, Cybus Group.
- Katie Dunwell, Cybus Group.
- Tim Oswald, Piper Jaffray

The Board approved the minutes of the prior meeting without comment or amendment.

The Agenda was reviewed.

Statutory Eligibility Policy was discussed by Chairman Urban, who commended Leslie Miller for her efforts in simplifying the flow chart by writing eligibility criteria with narrative decision points. He asked that the Minutes reflect this. Bob Helmick reviewed two documents with the Board. First "An Attempt to Provide a Simplified Eligibility Criteria." And, second a document that he prepared for the IDED entitled, Policy Concerning Requirement of Producer Involvement in Facilities Financed by the Iowa Agricultural Finance Corporation. This Policy would confirm IDED's concurrence with IAFC's statutory interpretation. After discussion, Steve Morain made a motion to amend the policy by adding the benefits of health and safety, efficiency and productivity, and improving the knowledge base of agriculture to the document. The motion was seconded by Jeff Plagge and carried unanimously.

Tim Oswald distributed a confidential marketing report outlining tecTERRA marketing done to this point. Mr. Oswald reviewed meetings to-date and planned the feedback and results. An opinion was obtained from the Superintendent of Banking clarifying that tecTERRA is an authorized investment for Iowa chartered banks and eligible for community reinvestment credit. The opinion was provided to tecTERRA but is also available to an individual bank upon request as necessary to document a proposed investment.

Dan Winegarden reviewed the Corporate Leadership Closing schedule. The planned closing is on October 22, 1999, which will establish a deadline for "corporate leadership" entrants to the fund. The actual closing announcement will be around November 15<sup>th</sup> (subject to planned participant's schedule). Subsequent to closing, there will be a Press Conference in conjunction with appropriate political leaders of both parties to announce the private leverage and progress on the Act's implementation. There will be a reception following

the press conference with political leaders, officials of the Iowa Department of Economic Development, investor's and the tecTERRA team.

Tom Steen and Katie Dunwell of Cybus Capital Advisors gave the tecTERRA Portfolio Prospecting Report. Approximately 80 letters are going out per week, which are followed by phone calls. An expression of interest by two or three is the expected return. They stated that they are very excited about the response they are getting, that it is not a hard sell, but a very selective process. Katie stated that the weekly meetings on Friday of the Cybus team and Dan Winegarden have been very productive. Dan reported that he has regular meetings with Dave Lyons, Director of the IDED, and that legislators are responding positively to the progress of the IAFC. CAPCO was discussed.

Dan Winegarden stated that there were two questions posed recently that the Board should consider in its planning process. 1.) How can Iowa best free up capital tied-up in cooperatives to help finance value-added investments and wealth-generating opportunities? 2.) How best should Iowa provide family farms structural opportunities to participate in profitable ventures? Discussion followed.

Dan Winegarden discussed the Angel Network. He stated he would like 10-12 names of potential investors from the Board.

Tom Steen discussed the ethanol planning process and intelligence in current political and market environment. He asked the question, "Can tecTERRA expect to receive proposals for ethanol production, and if so, how should these be reviewed?" The Board felt there should be a clear model for ethanol. In other words, if Cybus brings the Board an ethanol proposal, there should be definite guidelines on how the deal should look. Trying to find, as in other proposals, operators likely to be in the top half to one-third of a rising market. This requires describing what an exceptional ethanol deal should contain.

Dan Winegarden reported that Adam Sidney, a summer intern for IAFC who is a senior in economics at Duke University, had completed a research project this summer on surrounding states' activities (both public and private) in biotechnology, value-added agriculture and food, and producer involvement. The report is available for review by the Board and is currently being used by Cybus in marketing and networking. This information will be used in the Annual Report to the legislature as well.

Bob Helmick reviewed the Board Confidentiality Agreement. He stated that the signed agreement would be on file, allowing ongoing disclosures. He emphasized that executing the agreement would remind everyone of the importance of confidentiality. The Board asked that a clause be inserted that if something is public knowledge, the Board not be inappropriately penalized for any discussion.

Dan Winegarden distributed the IAFC Profit and Loss Statement, the Balance Sheet and the Summary Balance Sheet.

The program for the IAFC Forum to be held immediately following the Board Meeting was briefly reviewed. Dan Winegarden reported that the next two Forum dates and locations had been set. The next Forum will be held October 27, 1999, at Iowa Lakes Community College in Emmetsburg with Senator John P. Kibbie as the host, and on December 1, 1999, Representative Steve Falck will be hosting a Forum at Upper Iowa University in Fayette. Dianna Rampy of Enterprise Iowa will be handling the meeting arrangements for these Forums.

The next IAFC Board of Directors Meeting will be held December 1, 1999, at 9:00 a.m. at Upper Iowa University in Fayette.

The Board went into Executive Session. Discussions included review of confidential investment opportunities, marketing strategies and other information proprietary to IAFC/tecTERRA, tecTERRA clients or both.

Chairman Urban adjourned the meeting at approximately 2:45 p.m.

