

**BOARD OF ECONOMIC DEVELOPMENT
SWIFTEL CENTER, ROOM C, 824 32ND AVE, BROOKINGS, SD
FRIDAY, OCTOBER 3, 2014, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT
SWIFTEL CENTER, ROOM C, 824 32ND AVE, BROOKINGS, SD
FRIDAY, OCTOBER 3, 2014, 9:30 A.M. CT**

**Board
Members:**

Jeff Erickson

Dale Clement

Tony Klein

*Sharon
Casey*

John Calvin

Tom Burchill

*Michael
Luken*

*Greg
Heineman*

Tim Kessler

Ted Husted

*Don
Kettering*

*Pat
Prostrollo*

*Rob
Skjonsberg*

Non-Voting

David Lust

*Bruce
Rampelberg*

Tom Jones

Scott Parsley

**Motion Sheet
(STAFF RECOMMENDATIONS)**

Agenda

Motion to approve the agenda as presented.

Motion made by _____ and seconded by _____.

Minutes

Motion to approve the minutes of the meeting held September 9, 2014 and September 19, 2014, as presented.

Motion made by _____ and seconded by _____.

Annual Report/Audit Report

Motion to approve the 2014 Annual Report/Audit Report as presented.

Motion made by _____ and seconded by _____.

South Dakota Division of Banking - Report from Examination

Motion to accept the exam as presented.

Motion made by _____ and seconded by _____.

Executive Session

Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion made by _____ and seconded by _____.

**Chairman: Declare board out of executive session. [a.m.]. Chairman: The
BED entered into executive session to discuss contract matters and commercial
and financial information relating to loan and other assistance to applicants.**

Motion to approve the chairman's report from executive session.

Motion made by _____ and seconded by _____.

Old Business

Adams Holdings, LLC

Motion to approve extending the maturity dates on loans 04-17-A, 06-07-A, and 08-06-A until March 1, 2016, contingent upon securing additional collateral to include the fabrication plant for only loan number 04-17-A.

Motion made by _____ and seconded by _____.

Brookings Economic Development Corporation

Motion to approve extending the loan commitment 60 days and allowing the project to eliminate the bank loan from the funding package.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

MDS Manufacturing Co., Inc.

Motion to approve extending the loan commitment until December 31, 2014.

Motion made by _____ and seconded by _____.

Pure Pulp Products, Inc.

Motion to approve extending out the MOU with all lenders and Pure Pulp to November 30, 2014.

Motion made by _____ and seconded by _____.

3M Brookings

Motion to approve the Reinvestment Payment application to 3M Brookings as recommended by staff in the board packet.

- Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$1,323,960, but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs during the "Project Two" time period, is approved for 3M Brookings. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion made by _____ and seconded by _____.

Bills

Motion to approve the bill payable to Maxwell & Bower Agency up to \$6,000 in regards to TTJ Properties, LLC.

Motion made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

**BOARD OF ECONOMIC DEVELOPMENT
SWIFTEL CENTER, ROOM C, 824 32ND AVE, BROOKINGS, SD
FRIDAY, OCTOBER 3, 2014, 9:30 A.M. CT**

REGULAR SESSION AGENDA

- 9:30 A.M. Call To Order, Chairman Jeff Erickson
- 9:35 A.M. **Agenda**
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.
- Minutes**
RECOMMENDED ACTION: Motion to approve the minutes of September 9, 2014 and September 19, 2014, as presented.
- Approve Annual Report/Audit Report**
RECOMMENDED ACTION: Motion to approve the 2014 Annual Report/Audit Report as presented.
- Division of Banking Exam**
RECOMMENDED ACTION: Motion to accept the exam as presented.
- 9:45 A.M. Commissioner's Comments
- 9:50 A.M. **Executive Session**
RECOMMENDED ACTION: Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance applicants.
- 10:05 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions
Adams Holdings, LLC
Brooking Economic Development Corporation
MDS Manufacturing Co., Inc.
Pure Pulp Products, Inc.
3M Brookings
- Bills
Maxwell & Bowar Agency – up to \$6,000.00

Notice is further given to persons with disabilities that this meeting is being held in a physically accessible place. Please notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make the necessary arrangements.

Participation in the meeting can be at GOED at 711 E Wells Ave, Pierre, South Dakota, or the GOED office at the Business & Technology Center at 2329 N. Career Avenue, Sioux Falls, South Dakota.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, SEPTEMBER 9, 2014, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Greg Heineman, Tim Kessler, Ted Husted, Pat Prostrollo, Rob Skjonsberg, David Lust, Scott Parsley, and Tom Jones

Staff Present

Deputy Commissioner Aaron Scheibe, Kim Easland, Travis Dovre, Ashley Moore, Cherissa Nielson, and Dale Knapp

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:34 A.M.

Agenda

A motion was made by Pat Prostrollo and seconded by Mike Luken to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Dale Clement and seconded by John Calvin to approve the minutes of the meetings held August 12, 2014, August 21, 2014, and August 29, 2014, as presented.

Motion passed by a roll call vote.

Economic Development Partnership Program Application for Revolving Loan Funds

A motion was made by John Calvin and seconded by Ted Husted to approve the Economic Development Partnership Program Application for Revolving Loan Funds as amended by staff and Grant Committee.

Motion passed by a roll call vote.

Executive Session

A motion was made by Sharon Casey and seconded by Dale Clement to enter into executive session at 9:40 a.m. to discuss contract matters, and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:33 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

A motion was made by John Calvin and seconded by Tony Klein to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Reviews

Adams Holdings, LLC, Marmen Energy Co., PEDCO/Eagle Creek, and Yankton Area Progressive Group

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

Old Business

Aberdeen Development Corporation/Coventry Health Care

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve the extension until December 31, 2015, and increasing the rate as presented.

Motion passed by a roll call vote.

Adams Holdings, LLC

A motion was made by Sharon Casey and seconded by Rob Skjonsberg to approve extending the maturity dates on loans 04-17-A, 06-07-A, and 08-06-A until March 1, 2016, contingent upon securing additional collateral.

Motion passed by a roll call vote.

Agile Manufacturing, LLC

A motion was made by Pat Prostrollo and seconded by Ted Husted to approve extending the loan commitment until December 31, 2014.

Motion passed by a roll call vote.

Bel Brands USA, Inc.

A motion was made by Tony Klein and seconded by Tim Kessler to approve extending the funding commitment until October 31, 2014, retroactive from July 31, 2014.

Motion passed by a roll call vote.

PEDCO/Eagle Creek

A motion was made by Dale Clement and seconded by Rob Skjonsberg to approve extending the loan maturity to match the bank's new maturity date, not to exceed 60 months.

Motion passed by a roll call vote.

New Business

Hansen Manufacturing Corp

A motion was made by Sharon Casey and seconded by Greg Heineman to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote.

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve the loan request from Hansen Manufacturing Corp in the amount of \$5,000,000. Secured by a first position on the facility and fixtures, and the corporate guarantor of Ag Growth International, Inc.

The loan is approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

Economic Development Partnership Program IEDC Basic Training
Wagner Area Growth, Inc.

A motion was made by Dale Clement and seconded by Sharon Casey to approve Economic Development Partnership Program IEDC Basic Training to Wagner Area Growth, Inc. as recommended by staff and Grant Committee.

Wagner Area Growth, Inc.

- Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$925.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Motion passed by a roll call vote.

Economic Development Partnership Program
Heartland Consumers Power District, Areawide Business Counsel, Inc. (RLF), GROW
South Dakota (RLF), Onida Area Development Corporation (RLF), South Eastern
Development Foundation (RLF), Wagner Area Growth, Inc. (RLF)

A motion was made by Greg Heineman and seconded by Pat Prostrullo to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Heartland Consumers Power District

- Approve an Economic Development Partnership grant award to the Heartland Consumers Power District in the amount of \$4,675.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Training Only.

Areawide Business Council, Inc. (RLF)

- Approve an Economic Development Partnership grant award to the Areawide Business Council, Inc. (RLF) in the amount of \$100,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

GROW South Dakota (RLF)

- Approve an Economic Development Partnership grant award to GROW South Dakota (RLF) in the amount of \$250,000.00, contingent upon securing a 4:1 outside match to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Onida Area Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Onida Area Development Corporation (RLF) in the amount of \$60,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

South Eastern Development Foundation (RLF)

- Approve an Economic Development Partnership grant award to the South Eastern Development Foundation (RLF) in the amount of \$250,000.00, contingent upon leveraging \$500,000.00 in additional outside RLF funds within the next 12 months from the approval to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Wagner Area Growth, Inc. (RLF)

- Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. (RLF) in the amount of \$50,000.00, contingent upon committing

75% of current RLF funds bringing the unobligated balance to \$68,235.50 within 90 days from the approval date to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program

City of Spearfish and City of Yankton

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve the Local Infrastructure Improvement Program grants for the following borrowers as recommended by staff and Grant Committee:

City of Spearfish

- Approve a Local Infrastructure Improvement grant award to the City of Spearfish in the amount of \$45,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Yankton

- Approve a Local Infrastructure Improvement grant award to the City of Yankton in the amount of \$500,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

South Dakota Jobs Program

Sapa Extrusions, Inc.

A motion was made by Ted Hustead and seconded by Rob Skjonsberg to approve the South Dakota Jobs grant application of Sapa Extrusions, Inc. as recommended by staff in the board packet.

Sapa Extrusions, Inc.

- Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a South Dakota Jobs Grant, a South Dakota Jobs Grant in the amount of \$24,280.00, but not to exceed 100% of use tax due on eligible equipment costs during the project period is approved for Sapa Extrusions Inc. The South Dakota Jobs Grant is contingent upon Sapa Extrusions, Inc. creating 30 new full-time positions in South Dakota within three (3) years from 08/22/2014 and proceeding with a building expansion not less than 35,000 square feet within one (1) year. In the event Sapa Extrusions, Inc. fails to meet the aforementioned requirements, the State may require repayment of all or a portion of the South Dakota Jobs Grant. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in administrative rule.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:46 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer

**CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
SEPTEMBER 19, 2014, 1:30 P.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Pat Prostrollo, Don Kettering, and Tom Burchill

Staff Present

Deputy Commissioner Aaron Scheibe, Kim Easland, Ashley Moore, and Cassie Stoesser

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:35 p.m.

Agenda

A motion was made by Pat Prostrollo and seconded by Tom Burchill to approve the agenda as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Tom Burchill and seconded by Dale Clement to enter into executive session at 1:37 p.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the Credit Committee out of executive session at 2:10 p.m. The Chairman reported that the Board of Economic Development Credit Committee entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

A motion was made by Pat Prostrollo and seconded by Tom Burchill to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Adams Holdings, LLC

Credit Committee recommends to the Board approving extending the maturity dates on loans 04-17-A, 06-07-A, and 08-06-A until March 1, 2016, contingent upon securing additional collateral to include the fabrication plant for only loan number 04-17-A.

A motion was made by Pat Prostrollo and seconded by Don Kettering.

Motion passed by a roll call vote.

Brookings Economic Development Corporation

Credit Committee recommends to the Board extending the loan commitment 60 days and allowing the project to eliminate the bank from the funding package.

A motion was made by Dale Clement and seconded by Pat Prostrollo.

Motion passed by a roll call vote.

MDS Manufacturing Co., Inc.

Credit Committee recommends to the Board reducing the loan commitment to \$300,000, approving sources of funding as presented, and extending the loan commitment until December 31, 2014.

A motion was made by Dale Clement and seconded by Tom Burchill.
Motion passed by a roll call vote.

Adjourn

A motion was made by Tom Burchill and seconded by Dale Clement to adjourn the meeting at 2:15 p.m.

Motion passed by a roll call vote

Dale Clement, Secretary or
Tony Klein, Treasurer

South Dakota

REDI

Revolving Economic Development &
Initiative Fund

June 30, 2014 Annual
Financial Report



ready to work

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
SOUTH DAKOTA

711 E. Wells Ave. Pierre, South Dakota
57501-3369
(605) 773-3301 Fax: (605) 773-3256
www.SDReadyToWork.com

Board of Economic Development Members

Jeff Erickson- Chairman Mr. Erickson is currently Co-owner and Manager of Erickson Family Holdings, LLC, and Border Plains, LLC. He was previously President and Chief Executive Officer of Great Western Bank. He was responsible for an 8.3 billion dollar bank. He is currently the Chairman of the South Dakota Banking Commission and Chairman of the Governor's Office of Economic Development Board (REDI). He was the Chairman of Governor Dennis Daugaard's Transition Team (2010), and has also served as Vice Chairman of the South Dakota Ellsworth Development Authority, Focus Watertown Chairman, Watertown Development Company Chairman, Watertown Area Chamber of Commerce Board Member and President, and a Board Member of the Sioux Falls Development Foundation. A graduate of Northern State University in Aberdeen, South Dakota, he was named "Distinguished Alumni of 2008". In addition, Jeff is a graduate of the Pacific Coast Banking School at the University of Washington in Seattle, Washington; and a graduate of the University of Iowa Executive Development Program in Iowa City, Iowa. Mr. Erickson has worked in the financial services industry for 30+ years. He has been married to his wife, Linda, for 35 years and has four children; Kim, Beth, Scott and Jamie. He also has nine grandchildren. In addition to enjoying time spent with his family, he enjoys sharing sporting events with friends either as a spectator or participant. He and his family believe in giving back to the communities they live in by volunteering both time and money to worthwhile causes

Tim Kessler- Vice-Chairman Mr. Kessler is a lifelong resident of Aberdeen. He purchased the 71-year-old family business from his father in the late 1980s. A third-generation owner of Kessler's grocery, one of the largest food and drug stores in the Dakotas, Kessler also owns Big Shot Pheasant Fields near Aberdeen. Kessler served for 17 years (1992-2010) on the South Dakota Game, Fish and Parks Commission. He graduated from Northern State University in Aberdeen. Tim also serves on the Pheasants Forever, Inc. and Quail Forever National Board of Directors.

Dr. Dale Clement- Secretary Dr. Clement graduated from Tarkio College in Missouri in 1954. He then served in the Army from 1955-1957. Dr. Clement earned a Masters of Arts degree in Finance from the University of Nebraska in 1965 followed by a PhD from the University of Nebraska-Lincoln in Finance in 1968. He was a professor of Finance at the University of South Dakota from 1963-1989 and Dean of the Business School from 1968-1989. Dale served as Chief Financial Officer of the Black Hills Corporation from 1989-1997. He was the Founding Director and President of the J T Vucurevich Foundation from 1990-to present. Dr. Clement was awarded an Honorary Doctorate from Tarkio College in Missouri. The Dean's l-wing of the School of Business at USD was named in his honor for 26 years of service. He was named to the Board of Economic Development the day Governor Mickelson died. Dr. Clement and his wife Barbara have two children.

Tony Klein- Treasurer Mr. Klein is an original member of the Board of Economic Development. Mr. Klein started Klein's Office Equipment in 1963 in Pierre and operated it until 1994. He is also the owner and manager of numerous commercial real estate

properties and is presently self-employed as a real estate appraiser for 16 years. Mr. Klein has served as a Hughes County commissioner for 7 years and has served on the boards of numerous charitable foundations. Mr. Klein has also served as Jaycee president and State VP, along with the Pierre Chamber of Commerce Board member & past president

Tom Burchill was born and raised in Pierre and graduated from USD with a Bachelor of Science degree in Business Administration in 1984. Mr. Burchill was a bank examiner for the State of South Dakota for five years and involved in the banking business for over 28 years. Tom is married to Dr. Paula Adam-Burchill and together they have three sons aged 19, 17, and 12

Sharon Casey is an original member of the Board of Economic Development, appointed by Governor Mickelson. She is a businesswoman formally co-owner of Casey Drug and Jewelry. Sharon remains active in her local Lake Francis Development as a board member, a St. James Catholic Church Parish council member and building committee member, Kiwanis Club member, South Dakota Art Museum, Employer Support for the Guard Reserve (ESGR), and past President of the Chamberlain Chamber of Commerce. Sharon placed foreign exchange students and teachers with Youth for Understanding from 1971 to 1980. During that time they hosted exchange students from Brazil, Yugoslavia, Norway, Philippines, Holland and France. Sharon is a graduate of South Dakota State University. Sharon and her husband now enjoy catching up on the activities of their four children and 12 grandchildren and taking in frequent travels.

D. Greg Heineman is Chairman of the Board and CEO of Williams Insurance. He began his insurance career while a senior economics major at SDSU. Greg has served as the President of the Sioux Falls Life Underwriters Association. In 1977 he was awarded the Art B. Mitchell award as the South Dakota Outstanding Young Life Underwriter. Greg has won numerous production awards and served on many advisory boards for insurance companies throughout his career. Greg has served as President of the Make-A-Wish foundation of SD, a member of the Sioux Falls Area Foundation, Catholic Diocese Foundation for Eastern SD and Sioux Falls Catholic Schools Foundation. He has also been active in fundraising at the community, Catholic Church, and Sioux Falls Catholic Schools. In addition to Williams Insurance, Greg and his son Mike own the Sioux Falls Skyforce of the NBA Development League. He and his son Nick own Look's Market. Greg's oldest son Robb is the CEO and part of the ownership group for Sporting Kansas City of Major League Soccer. Greg's wife Phyllis is a South Dakota State Senator and has served in the Legislature for 12 years. In addition to three sons, Greg and Phyllis, who have been married 42 years, have three daughters-in-law and seven grandchildren.

Mike Luken is a native of Watertown, South Dakota. He has been involved in farming in Northeast South Dakota, custom combining, and reconditioning the former Memorial Hospital to develop affordable housing in the community. He's also started numerous businesses that include a tanning salon, Glacial Lakes Bottling and Marketing, and Express Photo with locations in both Watertown and Sioux Falls. Mr. Luken was also part of the Discount Farm Center and later was hired by ABT to manage the operation. Currently Mr. Luken sells real estate for Hoftiezer Real Estate in Watertown. He is the

past chairman of the Board for the Watertown Area Chamber of Commerce and was appointed to the Watertown Municipal Utilities Board by Mayor Gary Williams and was past president. Current Mayor Steve Thorson also re-appointed Mike to serve another 5 year term to the Watertown Municipal Utilities Board. Mr. Luken is also involved in many other civic and private organizations.

John Calvin is currently the CEO and sole owner of J. Scott Industries, an operating company in Watertown that makes significant investments in and helps small businesses. Before starting J. Scott Industries, Mr. Calvin owned Angus Palm Industries in Watertown, which he later sold to the employees. Angus Industries was approved for the first REDI Fund loan in 1987. This company manufactures quality roll-over protective systems, cabs and custom steel fabrications. Mr. Calvin held many Senior Executive positions in the Lockheed Martin Corporation, along with positions in other publicly traded companies. Throughout his career he has been involved in countless other business ventures. John served as the cabinet secretary of the Office of Tourism and State Development from April 2003 to December 2003. Currently John is a member of the Board of Directors of Prairie Lakes Healthcare System. Mr. Calvin is a graduate of the University of Michigan with a degree in pre-law studies; he also did graduate studies at Columbia and Rutgers Universities.

Don Kettering is a South Dakota born, farm raised, Brentford High School, Northern State College BA and South Dakota State University MA educated, United States Army trained and has worked in agricultural banking for the past 38 years. Don and his wife have two children and five grandchildren. He has lived and worked in the Yankton community for almost forty years. Don enjoys hunting, fishing, golf, gardening, and woodworking as pastime activities. Working with community and State organizations that promote growth and opportunities for others has been very gratifying for him.

Ted Husted is the former President of Wall Drug Store. He graduated from the University of North Dakota in 1980 with a BA Degree in Political Science and Economics. He also successfully completed the 3 year OPM Program at Harvard Business School. Ted also serves on the Governor's Tourism Board and enjoys being involved in South Dakota politics. Ted is married, has two sons in college, and lives in Wall, South Dakota. He believes that, "South Dakota is a great place to raise a family, be in business, and retired."

Pat Prostrollo was born and raised in Madison, SD and graduated from USD in 1975. After college he moved to Couer d' Alene, Idaho and worked for a year and a half. In 1976 he joined his father, Jerry Prostrollo in the automobile business in Madison, SD. In 1982 he purchased the Chevrolet/Buick dealership in Huron SD and 10 years later he moved back to Madison and became a partner with his father in their GM-Chrysler-Ford dealerships. In 1995 Pat purchased the GM-Ford-Chrysler dealerships from his father and still owns them today. Pat and his wife Deb and have 2 grown children and 4 grandchildren

Rob Skjonsberg graduated with an economics degree from South Dakota State University in 1995. Skjonsberg served in a variety of management positions with Norwest Bank and later Wells Fargo. Until 2002, he was the Vice President and Community Development Manager for Wells Fargo's Community Development & Specialized Lending Division, serving a region that included South Dakota, North Dakota and Montana. In 2003 Rob was appointed Chief of Staff to Governor Mike Rounds and served until 2007 when he rejoined the private sector as Vice President and later Senior Vice President of Public Policy and Corporate Affairs for POET. Currently he is a co-founder and partner in GSG Strategies, LLC, a government and political consulting firm in Pierre, SD. Skjonsberg also serves as a business consultant for Fischer Rounds & Associates.

Non-Voting Legislative Members

David E. Lust is a partner with Gunderson, Palmer, Nelson & Ashmore, LLP, in Rapid City and specializes in business transactions and business litigation. A graduate of Dartmouth College, David worked in Chicago for several years for an international development consulting firm, which included extensive work in Europe and Latin America. He earned his Juris Doctor from the University of South Dakota School of Law. Prior to joining Gunderson, Palmer, he served as a law clerk for United States District Court Judge Richard H. Battey. David is an active member of various legal groups and organizations including the National Conference of Commissioners on Uniform State Laws (NCCUSL), the Business Law Section, the Bench-Bar Liaison Committee of the State Bar of South Dakota and the Business Section of the American Bar Association. David is currently serving in the South Dakota House of Representatives as Majority Leader. He also chairs the Governor's Task Force on Trust Administration. David currently serves on the board of the Rapid City Economic Development Partnership and has previously held positions on the following boards: South Dakota Junior Achievement, Rapid City Junior Achievement, Big Brother/Big Sister of the Black Hills and the Northern Plains Eye Foundation. David and his wife Rebecca have four children: Nicholas, Isabelle, Benjamin and Samuel.

Scott Parsley serves as Assistant General Manager for Member Services at East River Electric Power Cooperative, headquartered in Madison, South Dakota. East River is a rural electric power supply cooperative which serves wholesale electricity to 25 retail member systems, which in turn serve over 115,000 homes and businesses. The 40,000 square mile service area covers 41 counties in eastern South Dakota and 22 counties in western Minnesota. Scott has worked for East River for 28 years. He served as staff assistant at East River before being named to his current position in 1990. In November of 2012 Scott was elected to a two year term in the South Dakota House of Representatives representing District 8, Moody, Lake, Miner and Sanborn counties in east central South Dakota. Scott is a native of Brookings, South Dakota. After serving in the Navy, he earned his B.A. degree from Dordt College in Sioux Center, Iowa. Scott serves on the American Coalition for Ethanol (ACE) Board, the Habitat for Humanity Board, the Voices for Children's Board, and the Dakota Resources Board. He currently is Vice-President on the Board of Directors of Consumer Federation of America and was

the former President of the South Dakota 4-H Foundation Board of Directors. He also played a key role in the development of the Prairie Winds project. Scott and his wife, Valerie, have a son, Nicholas, and two daughters: Caitlin and Christina.

Tom Jones is currently owner of Jones' Food Center in Viborg since 1979. He was previous owner of Jones' Food Centers in Lake Andes, Alcester, Springfield, Parker, Vermillion and Missouri Valley, IA. Tom graduated from Huron College in December 1962 with a degree in Bachelor of Arts and in May of 1969 with a Master's Degree in Education Administration. Mr. Jones also was previous owner of Sunny Side Plaza in Hartford, Southeastern Overhead Door, Ltd in Mitchell and Beresford and Dakota Ace Hardware in Viborg. Tom is serving or has previously served as a Viborg City Council Member, Chairman of the Viborg Economic Development Board, 4-H Turner County Horse Leader, Chairman of the South Dakota 4-H Horse Board, Active Money Raiser for Make-A-Wish, South Dakota Sports Hall of Fame Advisory Board, South Dakota Hall of Fame Board Member, South Dakota Rodeo Association Board, United State Team Penning Association Board, National Cutting Horse Association, Masonic Member of Joppa Lodge, El Riad Shrine Member, South Dakota House of Representative from 2011-2012 and currently South Dakota Senate. Tom also has served as a head and assistant basketball coach at the college and high school level while also a High School Teacher. He has also been named Business Man of the Year, is in the Huron College Hall of Fame, was an All American College Football player, and Coach of the Year at the college and high school levels. Tom and his wife Linda have 2 daughters and 5 grandchildren.

Bruce Rampelberg retired from a long time career in the banking business. He will be serving his third term as South Dakota Senator for District 30 and serves on the Health, Education and Agriculture Committees and is Chairman of the Retirement Laws Committee. He was chairman of Ellsworth Task Force during the BRAC that attempted to close Ellsworth Air Force Base and was the first Chairman of South Dakota Ellsworth Development Authority. Over the years he has served as chairman on numerous community boards including Chairman of both the Rapid City and Grand Forks, ND Chamber of Commerce boards. He currently serves as past chair of the Black Hills Services board, President of the Development for the Disabled Inc board and director on Dakota Resources board. He recently agreed to be the Development Director for Black Hills Vision. He is a member of Rotary and is a Deacon at First Christian Church. Bruce has been married to Sandee for 49 years and they have two grown sons and three grandchildren.

Loan Portfolio

Board of Economic Development Activity

Loans Approved Fiscal Year 2014

COMPANY	PROJECTED JOBS	REDI FUND LOAN AMOUNT	TOTAL PROJECT AMOUNT	COMMUNITY
Agile Manufacturing, LLC	25	\$684,968.00	\$3,955,500.00	Worthing
Carl V. Carlson	30	\$1,420,000.00	\$4,696,175.00	Sioux Falls
DBI Holdings, LLC	115	\$2,178,500.00	\$4,941,412.00	Watertown
Harbor Group Investments, LLC	59	\$810,000.00	\$1,900,000.00	Sioux Falls
Integra Plastics, Inc.	30	\$1,170,000.00	\$2,900,000.00	Madison
JMoHoldings, LLC	57	\$1,125,000.00	\$2,500,000.00	Dakota Dunes
Lomar Development Company, LLP	50	\$1,023,750.00	\$2,600,000.00	Brookings
MDS Manufacturing Co., Inc.	40	\$600,000.00	\$2,323,851.00	Parkston
PEDCO/South Dakota Pulse Processors, LLC	27	\$360,000.00	\$800,000.00	Pierre/Harrold
Rosenbauer South Dakota, LLC	30	\$990,000.00	\$2,628,411.00	Lyons
Satern Properties, LLC	27	\$247,500.00	\$550,000.00	North Sioux City
Showplace Wood Products, Inc.	168	\$278,100.00	\$618,000.00	Harrisburg
Twin City Fan Companies, Ltd	see Lomar	\$616,950.00	\$1,371,000.00	Brookings
WM3D Properties, LLC	63	\$468,750.00	\$800,000.00	Howard
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FY 2014 Total: 14 loans	721	\$11,973,518	\$32,584,349.00	

**REDI Fund Company Activity
September 1987 through June 2014**

<u>Company</u> <u>(County in Bold)</u>	Total Loan Amount	Total Project Amount	Projected FTE Jobs
AURORA			
B&H Holding Company	\$108,000	\$243,000	24
Pure Pulp Products, Inc.	<u>\$1,375,000</u>	<u>\$5,972,000</u>	<u>166</u>
	\$1,483,000	\$6,215,000	190
BEADLE			
American Foods Group, Inc. I	\$500,000	\$7,790,000	116
American Foods Group, Inc. II/Huron	\$279,400	\$1,220,000	57
American Foods Group, Inc. III/Huron	\$500,000	\$1,750,000	146
Dakota Turkey Growers, LLC	\$3,000,000	\$58,450,000	387
Dak-Lan, LLC	\$194,527	\$1,029,241	7
Horizontal Machining & Mfg	\$700,000	\$2,268,430	35
Huron Manufacturing Company	\$65,000	\$200,000	12
Industrial Manufacturing of SD, Inc. I	\$275,000	\$700,000	35
Industrial Manufacturing of SD, Inc. II	\$420,413	\$973,761	54
Industrial Manufacturing of SD, Inc. III	\$650,000	\$2,030,000	60
Midcom, Inc.	\$600,000	\$2,155,000	167.5
Overbuilt, Inc.	\$750,000	\$3,341,908	72
Prairie Trends, Inc.	\$50,000	\$300,000	17
Protective Coating Specialists, Inc.	\$100,000	\$240,000	30
Raven Industries, Inc. II/Huron	\$245,000	\$1,855,000	50
Riverside Manufacturing LLC	\$300,000	\$950,000	60
Shallbetter, Inc.	\$144,000	\$320,955	63
Trussbilt, Inc. I	\$700,000	\$3,223,000	151
Trussbilt, Inc. II	<u>\$315,000</u>	<u>\$1,450,000</u>	<u>54</u>
	\$9,788,340	\$90,247,295	1573.5
BON HOMME			
Broin Enterprises, Inc.	\$112,000	\$312,000	14
Rush Company	<u>\$750,000</u>	<u>\$2,014,250</u>	<u>36</u>
	\$862,000	\$2,326,250	50
BROOKINGS			
Bel Brands USA, Inc. (2 loans)*	\$8,000,000	\$166,920,000	365
Biogenetics Services, Inc.	\$131,988	\$560,000	14.5
Brookings Economic Dev. Corp*	\$550,000	\$3,465,000	11
Counterpart, Inc.	\$175,000	\$1,480,000	35
Counterpart, Inc. #3	\$558,775	\$2,205,745	60
Dakota Services, LLC I	\$150,000	\$535,000	29
Dakota Services, LLC II	\$200,000	\$787,000	39
Daktronics, Inc. I	\$112,500	\$250,000	33.5
Daktronics, Inc. II	\$400,000	\$900,000	96
Falcon Plastics, Inc III	\$348,000	\$3,620,000	50
Larson Manufacturing, Inc. I	\$750,000	\$3,056,901	92
Larson Manufacturing, Inc. II	\$750,000	\$2,350,000	87
Larson Manufacturing, Inc. III	\$1,500,000	\$6,270,000	191
Larson Manufacturing, Inc. IV	\$1,500,000	\$4,300,000	300
Lomar Development Company, LLP*	\$1,023,750	\$2,600,000	50
Maize Properties, Inc. I	\$50,000	\$340,786	16

REDI Fund Company Activity			Projected
Company	Total Loan	Total Project	FTE
(County in Bold)	Amount	Amount	Jobs
<u>BROOKINGS(Con't.)</u>			
Maize Properties, Inc. II	\$126,450	\$281,000	24
Maize Properties, Inc. III	\$208,000	\$603,441	19
Measurement Technologies	\$100,000	\$800,000	16
Metalworks, LLC	\$500,000	\$1,600,000	25
Prince Manufacturing Corp.	\$400,000	\$2,750,000	50
Rainbow Play Systems, Inc.	\$400,000	\$2,954,500	83
Rainbow Play Systems, Inc. II	\$1,500,000	\$6,500,000	100
Sitel Corporation	\$157,500	\$349,500	104.5
South Dakota Soybean Processors	\$1,050,000	\$37,700,000	68
TCF Industries, Inc.	\$200,000	\$937,500	61.5
TCF & Blower II	\$850,000	\$3,700,000	170
Twin City Fan Companies, LTD #2	\$233,564	\$519,032	25
Twin City Fan Companies, Ltd*	<u>\$616,950</u>	<u>\$1,371,000</u>	<u>see Lomar</u>
	\$22,542,477	\$259,706,405	2215
BROWN			
Aberdeen Development Corporation I	\$75,000	\$250,000	27.5
Aberdeen Development Corporation II	\$1,350,000	\$3,200,000	N/A
Aberdeen Development Corporation III	\$1,000,000	\$3,000,000	200
Aberdeen Development Corporation V	\$300,000	\$730,000	100
Aberdeen Development Corporation VI	\$1,600,000	\$3,600,000	200
Aberdeen Development Corporation VII	\$4,500,000	\$21,218,869	708
Aberdeen Development Corporation VIII	\$100,000	\$300,000	40
Cabinets Dakotah	\$25,000	\$60,000	6
Colorworks, LLC	\$50,000	\$410,000	18
FMC Corporation	\$200,000	\$410,000	18
Glacial Lakes Energy, LLC	\$1,215,000	\$2,750,000	0
Midcom, Inc. II	\$1,000,000	\$410,000	18
Midstates Printing, Inc.	\$100,000	\$410,000	18
Midstates Printing, Inc. #3	\$1,000,000	\$3,350,000	129
Mutual of Omaha Insurance Co.	\$675,000	\$410,000	18
NE Venture, Inc. I	\$166,667	\$1,200,000	
NE Venture, Inc. II	\$233,333		
NECOG-DC (RRLF)	\$500,000	\$410,000	18
Sheldahl, Inc.	\$1,000,000	\$2,850,000	50
TCF Aerovent, Inc.	\$500,000	\$8,735,000	186
Tempus Nutritionals, Inc.	\$210,000	\$545,000	30
Western Printing	<u>\$100,000</u>	<u>\$555,000</u>	<u>65</u>
	\$15,900,000	\$54,803,869	1849.5
BRULE			
Lake Francis Case Dev. Co./A Square	<u>\$300,000</u>	<u>\$675,072</u>	24
	\$300,000	\$675,072	
CHARLES MIX			
Aristo Industries, Inc.	\$41,000	\$91,500	20
Boyd's Gunstock Industries, Inc. I	\$35,000	\$155,000	15.5
Boyd's Gunstock Industries, Inc. II	\$40,000	\$88,900	17
Dakotah, Inc. III	\$300,000	\$3,070,000	60
Filters Co., Inc.	<u>\$200,000</u>	<u>\$600,000</u>	<u>50</u>
	\$616,000	\$4,005,400	162.5

REDI Fund Company Activity			
<u>Company</u>	Total Loan	Total Project	Projected
<u>(County in Bold)</u>	Amount	Amount	FTE
<u>CHARLES MIX (Con't.)</u>			Jobs
CLAY			
Performance Engineering and Manufacturing, Inc	\$125,000	\$800,000	30
Performance Engineering and Manufacturing, Inc	\$180,000	\$2,340,083	40
JH Investments, LLC	\$1,250,000	\$4,095,000	25
JH Investments, LLC II	\$1,200,000	\$3,250,000	50
Vermillion Area COC and EDC*	<u>\$2,100,000</u>	<u>\$5,150,000</u>	<u>125</u>
	\$4,855,000	\$15,635,083	270
CODINGTON			
Angus-Palm Industries, Inc. I	\$465,000	\$1,998,000	170
Angus-Palm Industries, Inc. II	\$465,000	\$1,850,000	69
Angus-Palm Industries, Inc. III	\$289,000	\$1,026,520	55
Angus-Palm Industries, Inc. IV	\$975,000	\$3,080,000	324
Benchmark Foam, Inc.	\$1,500,000	\$4,602,628	12
BVH, LLC	\$110,000	\$367,500	18
CurMar, LLC	\$778,257	\$2,269,221	50
DBI Holdings, LLC	\$500,000	\$1,930,000	45
DBI Holdings, LLC*	\$2,178,500	\$4,696,175	115
Dakota Bodies, Inc.	\$78,000	\$177,709	19
Dakota Finishing Co.	\$55,000	\$125,000	12
Dakota Tube, Inc. I	\$137,106	\$357,680	27
Dakota Tube, Inc. II	\$350,000	\$770,000	60
Dakota Tube, Inc. III	\$200,000	\$650,000	41
Dakota Tube, Inc. IV	\$250,000	\$575,000	50
DC Machining, Inc.	\$51,795	\$115,100	18
Duralite, Inc.	\$75,000	\$325,000	16.5
Dynamic Engineering	\$220,568	\$505,235	45
ESCO Mfg., Inc.	\$158,000	\$383,700	34
First District Dev. Corp.	\$500,000	500,000	0
Global Technologies, Inc.	\$186,975	\$415,500	23
Hesco, Inc./Specialty Mills	\$87,000	\$389,000	15.5
Integrity Tool and Die, Inc.	\$125,000	\$300,000	30
McFleeg of South Dakota	\$300,000	\$3,981,025	10
MidAmerica Mutual Life Insurance Co.	\$500,000	\$2,068,500	125
OEM	\$650,000	\$3,050,000	123.5
OEM II	\$1,500,000	\$7,530,000	102
Persona, Inc.	\$281,700	\$736,600	82
PREMIER Bankcard, Inc.	\$1,175,000	\$4,516,000	398.5
Superior Homes, LLC	\$500,000	\$2,600,000	30
Terex-Telelect, Inc.	\$500,000	\$16,400,000	100
Tower Systems, Inc. I	\$135,000	\$550,000	32.5
Tower Systems, Inc. II	\$90,000	\$200,000	18
Twin City Die Castings Co.	\$500,000	\$1,145,000	125
Watertown Development Corp. I	\$1,250,000	\$2,500,000	112
Watertown Development Corp. II	\$75,000	\$332,000	35

REDI Fund Company Activity			
<u>Company</u>	Total Loan	Total Project	Projected
<u>(County in Bold)</u>	Amount	Amount	FTE
<u>CODINGTON(Con't.)</u>			Jobs
Watertown Development Corp. III	\$295,000	\$883,713	54
Watertown Development Corp. IV	\$1,910,000	\$14,545,340	157
Watertown Development Corp. V	<u>\$1,550,000</u>	<u>\$4,686,035</u>	<u>30</u>
	\$20,946,901	\$93,133,181	2783.5
CUSTER			
Pacer Corporation #2	<u>\$450,000</u>	<u>\$1,113,000</u>	19
	\$450,000	\$1,113,000	
DAVISON			
American Foods Group, Inc. II/Mitchell	\$220,600	\$1,220,000	45
American Foods Group, Inc. III/Mitchell	\$250,000	\$850,000	62
Boyd's Gunstock Industries, Inc. III	\$125,000	\$325,200	25
Boyd's Gunstock Industries, Inc. IV	\$135,000	\$449,400	28
Boyd's Gunstock Industries, Inc. V	\$250,000	\$919,615	50
Dealer's Livestock Eqp. Center, Inc.	\$220,000	\$600,000	33
EMI, LLC	\$750,000	\$3,080,000	30
Mitchell Area Dev. Corp./Verifications	\$700,000	\$2,240,000	150
TCF Industries, Inc./Axial Division	\$558,800	\$3,279,800	85
TCF & Blower Co., LTD	\$300,000	\$3,300,000	60
Thermoset Products, Inc.	\$1,100,000	\$3,400,000	50
Trail King Industries, Inc.	\$125,000	\$2,251,900	165
Trail King Industries, Inc. II	\$250,000	\$633,560	113.5
Vantage Point Solutions	\$1,000,000	\$4,000,000	46
Yelroc Neuro, Inc.	<u>\$181,102</u>	<u>\$465,529</u>	<u>11</u>
	\$6,165,502	\$27,015,004	953.5
DAY			
Dakota Fiberglass, Inc.	\$150,000	\$376,000	19.5
Dakotah, Inc. I	\$54,000	\$120,000	39
Dakotah, Inc. IV	\$730,000	\$1,967,250	146
ESCO Manufacturing, Inc. II	\$127,000	\$982,912	30.5
Steelworks, Inc.	\$90,000	\$235,000	19
Webster Area Development Corp. I	\$300,000	\$600,000	38
Webster Area Development Corp. II	<u>\$322,000</u>	<u>\$600,000</u>	<u>55</u>
	\$1,773,000	\$4,881,162	347
DEUEL			
Midwest Converter Supply, Inc.	\$120,000	\$334,689	23
SFI Machine Products, Inc.	\$123,000	\$423,500	19
TTJ Properties, LLC	<u>\$300,000</u>	<u>\$912,705</u>	<u>16</u>
	\$543,000	\$1,670,894	58
DEWEY			
Lakota Archery, LLC	<u>\$100,000</u>	<u>\$265,075</u>	16
	\$100,000	\$265,075	
DOUGLAS			
Prairie States Equipment/Petro-Steel, Inc.	\$156,000	\$352,000	23
Werkmeister Welding	<u>\$300,000</u>	<u>\$800,000</u>	<u>28</u>
	\$456,000	\$1,152,000	51

REDI Fund Company Activity			
<u>Company</u>	Total Loan	Total Project	Projected
<u>(County in Bold)</u>	Amount	Amount	FTE
			Jobs
FALL RIVER			
Art Advantage, Inc.	\$275,000	\$656,000	35
Dakota Cinch, Inc.	\$150,000	\$610,000	64
Mineral Technology Corporation	\$120,000	\$985,000	15
Westrom	<u>\$208,250</u>	<u>\$595,000</u>	<u>17</u>
	\$753,250	\$2,846,000	131
GRANT			
BER Communications Corp. / Midwest Card Ser	\$185,000	\$428,000	110.5
Dakota Granite	\$350,000	\$2,153,522	60
Dakotah, Inc. II	\$100,000	\$350,000	80
Medware of SD/Mikros USA, Inc.	\$250,000	\$804,000	75
Montage, Inc. I	\$70,000	\$225,000	14
Montage, Inc. II	\$240,000	\$511,505	30
Sleepy Hollow Millwork	\$196,000	\$600,000	60
United Hardware Distributing Co. I	\$2,250,000	\$23,000,000	188
United Hardware Distributing Co. II	<u>\$60,000</u>	<u>\$250,000</u>	<u>12</u>
	\$3,701,000	\$28,322,027	629.5
GREGORY			
Parker Enterprises, Inc.	\$100,000	\$366,000	50
Ranchers Welding	<u>\$500,000</u>	<u>\$1,533,000</u>	<u>30</u>
	\$600,000	\$1,899,000	80
HAAKON			
Midland Telemarketing	\$30,000	\$70,000	13.5
Scotchman Industries, Inc.	<u>\$125,000</u>	<u>\$845,000</u>	<u>17</u>
	\$155,000	\$915,000	30.5
HAMLIN			
Davis Family South Dakota Inc.	\$5,000,000	10,000,000	184
Davisco International, Inc.	<u>\$300,000</u>	<u>\$1,233,000</u>	<u>21</u>
	\$5,300,000	\$11,233,000	205
HUGHES			
Global Harvest Birdseed of SD, LLC	\$450,000	\$1,150,000	37
JR&R Partnership	\$180,000	\$527,000	16
MW Properties, LLC	\$700,000	\$2,913,308	17
Pierre Economic Development Corp.	\$440,000	\$1,100,000	100
Pierre Economic Dev. Corp./Eagle Creek	\$2,000,000	\$5,259,300	157
Pierre Economic Dev. Corp./SD Pulse Processors	<u>\$360,000</u>	<u>\$800,000</u>	<u>27</u>
	\$4,130,000	\$11,749,608	354
HUTCHINSON			
MDS Manufacturing Company, Inc.	\$300,000	\$1,274,213	48
MDS Manufacturing Company, Inc.*	\$600,000	\$2,323,851	40
Reliance Parts Corp.	\$99,000	\$220,000	24
Wildcat Manufacturing Co., Inc.	\$100,000	\$332,500	23
Wildcat Mfg./Freeman Supply	<u>\$184,500</u>	<u>\$1,016,750</u>	<u>38</u>
	\$1,283,500	\$5,167,314	173
HYDE			
Highmore Cattle Auction	<u>\$100,000</u>	<u>\$535,000</u>	<u>29</u>
	\$100,000	\$535,000	

REDI Fund Company Activity			
<u>Company</u>	Total Loan	Total Project	Projected
<u>(County in Bold)</u>	Amount	Amount	FTE
JERAULD			Jobs
LSI, Inc.	\$800,000	\$2,130,000	100
LSI, Inc. II	<u>\$750,000</u>	<u>\$3,800,000</u>	<u>40</u>
	\$1,550,000	\$5,930,000	140
KINGSBURY			
Alvord-Polk, Inc.	\$130,000	\$1,060,000	28
Arlington Development Corp.	\$163,000	\$388,800	23
CMI Architectural Products, Inc.	\$100,000	\$1,100,000	20.5
GeoFurnace Manufacturing, Inc.	\$182,480	\$597,180	24
Lyle Signs, Inc.	\$110,000	\$275,000	15
Shinamerica, Inc.	\$250,000	\$1,400,000	45
Shinamerica, Inc.	\$446,850	\$998,880	20
D.T. Holding Company, Inc.	<u>\$380,000</u>	<u>\$2,372,875</u>	<u>38</u>
	\$1,762,330	\$8,192,735	213.5
LAKE			
Baron Investments, LLC	\$100,000	\$1,062,000	20
Custom Touch Homes, LLC	\$720,000	\$2,489,000	84
Falcon Plastics, Inc. I	\$400,000	\$1,350,000	55.5
Falcon Plastics, Inc. II	\$125,000	\$636,541	25
Gehl Company	\$255,000	\$2,504,831	51
Integra Plastics, Inc. I	\$140,000	\$625,000	28
Integra Plastics, Inc. II	\$75,000	\$175,000	15
Integra Plastics, Inc III	\$181,000	\$753,840	20
Integra Plastics, Inc. IV	\$1,000,000	\$9,581,700	26
Integra Plastics, Inc. V*	\$1,170,000	\$2,900,000	30
Lake Area Improvement Corp I	\$262,500	\$625,000	70
Lake Area Improvement Corp II	\$265,000	\$1,165,000	30
Lake Area Improvement Corp III	\$247,500	\$550,000	25
Lasercut	\$90,000	\$200,000	20
May & Scofield, Inc.	\$140,000	\$580,000	30
New Custom Touch Homes, Inc. I	\$125,000	\$280,000	25
New Custom Touch Homes, Inc. II	\$75,000	\$280,000	15
Paragon Custom Homes, Inc.	\$168,000	\$567,125	30
Persona, Inc. II	\$450,000	\$2,253,000	90
PPD USA, INC. II	\$50,000	\$645,600	10
PPD USA, INC. (UHMW)	\$100,000	\$1,153,100	12.5
Raven Industries, Inc.	\$400,000	\$3,155,000	90
Rosco Manufacturing Company	\$200,000	\$950,000	40
Rosebud Manufacturing Co., Inc. II	<u>\$234,500</u>	<u>\$1,119,000</u>	<u>17</u>
	\$6,973,500	\$35,600,737	859
LAWRENCE			
Deadwood Central RR Co.	\$80,000	\$235,000	13
F.L. Thorpe & Co., Inc.	\$256,500	\$713,000	70
Gems By Jim, Inc.	\$100,000	\$460,000	20
Lehman Trikes, USA	\$1,150,000	\$3,903,000	52
M&D Investment Group, LLC	\$201,330	\$948,700	14
NIP Manufacturing, Inc.	\$75,000	\$388,500	10

REDI Fund Company Activity			Projected
Company	Total Loan	Total Project	FTE
(County in Bold)	Amount	Amount	Jobs
LAWRENCE(Con't.)			
OEM Worldwide II	\$1,250,000	\$11,195,170	310
Paramount Technical Products	\$130,000	\$742,163	31
PG Technology	\$500,000	\$2,500,000	50
Precision Blending of Idaho	\$405,000	\$850,000	15
RAMVAC Corporation	\$100,000	\$550,000	12
Spearfish Economic Development Corp.	\$1,000,000	\$3,025,374	277
Tri-State, LTD.	<u>\$208,000</u>	<u>\$620,000</u>	<u>35</u>
	\$5,455,830	\$26,130,907	909
LINCOLN			
Adams Holding, LLC	\$1,206,067	\$2,680,149	33
Agile Manufacturing, LLC*	\$684,968	\$3,955,500	25
Canton Economic Development Corp.	\$1,250,000	\$6,200,000	150
Canton Economic Development Corp. II	\$995,000	\$5,852,000	70
Canton Economic Development Corp. III	\$1,575,000	\$4,775,000	89
Canton Economic Development Corp. IV	\$1,600,000	\$3,600,000	146
CMI Terex Corporation	\$2,205,000	\$4,860,000	6
DeGeest Manufacturing Co.	\$50,000	\$210,000	12
K-Products, Inc.	\$500,000	\$3,450,000	100
Lennox Area Dev. Corp. (WARE Mfg.) (Parkvie	\$750,000	\$4,650,000	100
Showplace Wood Products, Inc. I	\$500,000	\$2,482,900	99
Showplace Wood Products, Inc. II	\$464,801	\$1,401,779	65
Showplace Wood Products, Inc. III	\$320,500	\$1,627,529	308
Showplace Wood Products, Inc. IV	\$500,000	\$2,731,794	173
Showplace Wood Products, Inc. V	\$500,000	\$2,388,722	163
Showplace Wood Products, Inc. VI*	\$278,100	\$618,000	168
Tea Industries, Inc.	<u>\$150,000</u>	<u>\$333,000</u>	<u>80</u>
	\$13,529,436	\$51,816,373	1787
MARSHALL			
Sheldahl, Inc.	\$750,000	\$2,850,000	150
Truss-Pros, Inc.	\$171,000	\$575,000	13.75
Veblen Cheese Factory, Inc.	<u>\$292,500</u>	<u>\$650,000</u>	<u>33</u>
	\$1,213,500	\$4,075,000	196.75
MCCOOK			
Bridgewater Quality Meats	\$250,000	\$965,000	50
Buhler Industries, Inc.	\$1,300,000	\$3,000,000	47
Feterl Acquisition Corporation	\$600,000	\$3,174,000	83
Rosebud Manufacturing Company, Inc.	<u>\$100,000</u>	<u>\$371,750</u>	<u>19.5</u>
	\$2,250,000	\$7,510,750	199.5
MCPHERSON			
Day Break, Inc.	\$25,000	\$50,000	17.5
Eureka Development Corporation I	\$290,000	\$390,000	71
Eureka Development Corporation II	<u>\$125,000</u>	<u>\$473,000</u>	<u>160</u>
	\$440,000	\$913,000	248.5
MEADE			
Cor-Bon Bullets, Inc.	\$60,000	\$455,000	36
Glenwood/Loan Tree	\$13,500	\$30,000	6

REDI Fund Company Activity			Projected
<u>Company</u>	Total Loan	Total Project	FTE
<u>(County in Bold)</u>	Amount	Amount	Jobs
MEADE(Con't)			
Sturgis Industrial Dev. Corp. I	\$175,000	\$362,500	25
Sturgis Industrial Dev. Corp. II	\$300,250	\$709,300	98
Sturgis Industrial Dev. Crop. III	\$110,000	\$308,000	12
Tower Stools	<u>\$25,000</u>	<u>\$100,000</u>	<u>11</u>
	\$683,750	\$1,964,800	188
MINER			
Jan's Frozen Foods	\$325,000	\$1,630,000	67
WrapIt Corporation	\$100,000	\$2,811,160	90.5
Miner Co. Revitalization	\$725,000	\$1,647,296	46
WM3D SD Properties, LLC*	<u>\$468,750</u>	<u>\$800,000</u>	<u>63</u>
	\$1,618,750	\$6,888,456	266.5
MINNEHAHA			
American Western Corporation	\$450,000	\$1,000,000	90
AmeriPharm Inc.	\$1,000,000	\$4,750,000	201
Bell Paper Box, Inc.	\$200,000	\$750,000	66
Carl V. Carlson*	\$1,420,000	\$4,696,175	30
Central States Fire Apparatus, LLC	\$400,000	\$1,183,000	45
Component Manufacturing Company	\$240,000	\$600,000	37
Crimson Fire, Inc.	\$1,250,000	\$3,075,500	15
Del's Cabinets, Inc.	\$45,000	\$100,000	12.5
Design Tanks, Inc.	\$900,000	\$2,013,750	58
Dressen Custom Trailers, Inc.	\$73,636	\$298,636	15
Electronic Systems, Inc. I	\$245,000	\$545,000	39
Electronic Systems, Inc. II	\$305,000	\$1,255,000	61
Elston Equipment, Inc.	\$33,750	\$75,000	14
Forever New (Neoverures), Inc.	\$40,000	\$110,000	8.5
Gateway, Inc. IV	\$2,000,000	\$14,840,000	645
Graco, Inc.	\$750,000	\$8,442,000	119
Harbor Group Investments, LLC*	\$810,000	\$1,900,000	59
Hematech, LLC I	\$200,000	\$835,000	30.5
Hematech, LLC II	\$325,000	\$709,600	21
High Performance Engineering	\$67,000	\$165,000	10
Hutchinson Technology, Inc. I	\$1,500,000	\$3,500,000	350
Hutchinson Technology, Inc. II	\$1,500,000	\$3,740,000	377
InterActive, Inc.	\$40,000	\$90,000	28.5
Labelcrafters of South Dakota, Inc. I	\$17,500	\$43,000	4
Labelcrafters of South Dakota, Inc. II	\$20,000	\$265,000	4
LodgeNet Entertainment Corp.	\$1,000,000	\$14,114,364	225
Lou-Rich, Inc.	\$91,400	\$209,000	24
Lumber Exchange, LLC	\$3,500,000	\$9,581,700	0
Luverne Truck Equipment Inc.	\$400,000	\$1,300,000	305
Maguire Tank, Inc.	\$175,000	\$1,350,000	31
Marmen Energy Company	\$5,000,000	\$48,000,000	250
Midwest Precision Tool & Die, Inc.	\$250,000	\$2,589,400	50
Mitographers, Inc.	\$175,000	\$750,000	28
Nordic Advantage, Inc.	\$1,500,000	\$3,350,000	300
Omnitech, Inc	\$214,650	\$477,000	30
Raven Industries, Inc. II	\$105,000	\$795,000	23

REDI Fund Company Activity			Projected
<u>Company</u>	Total Loan	Total Project	FTE
<u>(County in Bold)</u>	Amount	Amount	Jobs
<u>MINNEHAHA(Con't)</u>			
Rosenbauer South Dakota, LLC*	\$990,000	\$2,628,411	30
Sencore, Inc.	\$350,000	\$780,000	70
Sioux Falls Development Foundation	\$668,250	\$1,960,000	132
SODA Partners, LLC #3	\$1,100,000	\$2,693,618	85
SolCom, Inc.	\$669,000	\$2,619,000	100
Specialized Card Services I	\$750,000	\$2,056,582	150
Specialized Card Services II	\$400,000	\$1,888,889	170
Specialized Card Services III	\$850,000	\$889,750	80
Specialized Card Services IV	\$1,500,000	\$5,992,717	300
Specialized Card Services V	\$1,300,000	\$5,187,888	260
StarMark, Inc.	\$315,000	\$700,000	63
South Eastern Development Foundation	\$500,000	\$500,000	0
Tel-Drug	\$1,400,000	\$6,200,000	214
Tiger Corporation	\$381,600	\$954,000	118
Total Fire Protection, Inc.	\$300,000	\$2,025,000	30
Valentine Technology, Inc.	\$200,000	\$1,050,000	75
Wheeler Tank Manufacturing, Inc.	\$200,000	\$550,000	39
Wheeler Tank Manufacturing, Inc. II	\$100,000	\$330,000	22
Yellow Freight System, Inc.	<u>\$750,000</u>	<u>\$2,223,250</u>	<u>127</u>
	\$38,966,786	\$178,727,230	5671
MOODY			
Dakota Layers Coop. I	\$400,000	\$9,290,000	21
Dakota Layers Coop II	<u>\$1,500,000</u>	<u>\$4,941,996</u>	<u>40</u>
	\$1,900,000	\$14,231,996	61
PENNINGTON			
Accuracy Inc.	\$50,000	\$393,000	15
All-Mark/Claussen, Inc.	\$76,050	\$169,000	53.5
American Concrete Equipment Corp.	\$450,000	\$1,440,000	41
Baker Timber Products, Inc.	\$250,000	\$640,000	31
Biofoam Corporation	\$200,000	\$750,000	60.5
Black Hills Fiberglass, LLC	\$1,000,000	\$3,465,000	36
Black Hills Molding, Inc.	\$120,000	\$450,000	20
Black Hills Silver, Inc.	\$90,000	\$221,396	14
Casto Travel, Inc.	\$185,000	\$405,000	67
Conseco Fin. Serv. Corp. I	\$2,000,000	\$5,000,000	347
Conseco Fin. Serv. Corp. II	\$1,500,000	\$5,022,656	225
Conseco Fin. Serv. Corp. III	\$250,000	\$1,352,590	90
Custom Packaging Systems, Inc. I	\$177,500	\$685,000	85
Custom Packaging Systems, Inc. II	\$100,000	\$400,000	20
Custom Packaging Systems, Inc. III	\$100,000	\$248,000	55
Custom Packaging Systems, Inc. IV	\$50,000	\$112,000	83
Dakota Fire Systems, Inc.	\$225,000	\$666,130	15
Dakota Ventures, Inc. I	\$50,000	\$150,000	
Dakota Ventures, Inc. II	\$75,000	\$225,000	
Deadwood BioFuels, LLC	\$524,480	\$2,700,000	30
Envirocare, Inc.	\$40,000	\$91,900	34
Fenske Printing, Inc.	\$400,000	\$1,500,000	42
GFI America, Inc. I	\$1,500,000	\$10,125,000	235

REDI Fund Company Activity			Projected
<u>Company</u>	Total Loan	Total Project	FTE
(County in Bold)	Amount	Amount	Jobs
<u>PENNINGTON(Con't.)</u>			
GFI America, Inc. II	\$1,000,000	\$3,125,000	115
Gunderson Manufacturing Company	\$60,000	\$160,000	12
H.F. Webster, Inc.	\$260,000	\$577,000	10
H-S Precision, Inc. I	\$175,000	\$825,000	42
H-S Precision, Inc. II	\$125,000	\$300,000	25
H-S Precision, Inc. III	\$180,000	\$400,000	30
Hi-Qual Manufacturing, Inc. I	\$300,000	\$1,600,000	43
Hoag Land Company, LLC	\$163,000	\$923,000	17
Landstrom's	\$700,000	\$9,185,000	140
Lyteware Enterprises	\$55,000	\$196,000	11
Magnum Diamond I	\$80,000	\$250,000	11
Magnum Diamond II	\$90,000	\$208,950	22
MEMSense, LLC	\$90,000	\$225,000	5
MPI, Inc.	\$825,000	\$1,871,420	168
Phase Technologies Partners, LLC	\$290,000	\$1,158,527	27
Precision Prototype	\$50,000	\$172,600	7
RIDCO, Inc.	\$500,000	\$1,680,000	103
Riss Brothers Millwork, Inc. I	\$100,000	\$1,130,000	28
Riss Brothers Millwork, Inc. II	\$150,000	\$544,000	34
Riss Brothers Millwork, Inc. III	\$205,000	\$655,000	55
Risstone Casegoods, Inc.	\$280,000	\$630,000	82
RMA	\$72,525	\$221,167	77.5
SCI Technology, Inc.	\$1,500,000	\$15,203,122	417
Spiegel Teleservices, Inc.	\$1,750,000	\$7,445,000	360.5
Terryberry Company	\$150,000	\$1,350,000	30
West River Foundation - RRLF	\$500,000	\$500,000	0
Workrite Uniform Co.	<u>\$1,275,000</u>	<u>\$7,905,000</u>	<u>124</u>
	\$20,338,555	\$94,652,458	3595
<u>PERKINS</u>			
Wheeler Manufacturing Co., Inc.	\$100,000	\$311,000	20
Wheeler Manufacturing Co., Inc. II	<u>\$150,000</u>	<u>\$350,000</u>	<u>30</u>
	\$250,000	\$661,000	50
<u>ROBERTS</u>			
Cattail Company, LLP	\$150,000	\$1,050,000	33
Cattail Company, LLP II	\$2,000,000	\$6,800,000	82
One-Ten Corporation	\$250,000	\$1,768,000	210
Northeast SD Economic Development	\$500,000	\$500,000	0
Schiltz Foods, Inc.	\$323,541	\$718,980	73
Sisseton Development Company	\$400,000	\$901,133	120
Sisseton Econ. Dev./Power Sentry	<u>\$290,277</u>	<u>\$290,277</u>	<u>N/A</u>
	\$3,913,818	\$12,028,390	518
<u>SANBORN</u>			
Van Dyke Supply Company, Inc.	<u>\$1,000,000</u>	<u>\$1,000,000</u>	100
	\$1,000,000	\$1,000,000	

REDI Fund Company Activity			Projected
<u>Company</u>	Total Loan	Total Project	FTE
<u>(County in Bold)</u>	Amount	Amount	Jobs
SPINK			
Markley Millwork	\$65,000	\$420,000	13
Redfield Industrial Dev. Corp./ACI	<u>\$355,000</u>	<u>\$605,000</u>	<u>75</u>
	\$420,000	\$1,025,000	88
TODD			
Rosebud Community Landfill	<u>\$22,500</u>	<u>\$111,000</u>	4
	\$22,500	\$111,000	
TURNER			
Bowden's Automated Products	\$100,000	\$300,000	50
ProCon Products, Inc.	<u>\$20,000</u>	<u>\$64,149</u>	<u>4</u>
	\$120,000	\$364,149	54
UNION			
2400 North Lincoln Management Corp.	\$315,000	\$700,000	89
AaLadin Industries, Inc. I	\$43,000	\$175,183	34
AaLadin Industries, Inc. II	\$205,000	\$603,740	41
Alkota Cleaning Systems, Inc.	\$200,000	\$621,000	25
Beef Products, Inc.	\$200,000	\$2,391,814	33
Brown Commercial Construction Co.	\$440,000	\$980,000	15
CSJ Properties, LLC	\$100,000	\$445,000	8
Direct Transit, Inc. I	\$200,000	\$677,081	49
Direct Transit, Inc. II	\$500,000	\$2,524,000	173
Enviro Safe Air, Inc.	\$120,000	\$300,000	24.5
Gateway, Inc. I	\$700,000	\$8,697,051	245
Gateway, Inc. II	\$250,000	\$1,242,715	154
Gateway, Inc. III	\$1,000,000	\$11,000,000	1213
Heartland Quality Foods/IAMS Co., Inc.	\$357,500	\$4,200,000	62
ibp, Inc. I	\$800,000	\$3,100,000	100
ibp, Inc. II	\$3,000,000	\$25,100,000	578
JMo Holdings, LLC*	\$1,125,000	\$2,500,000	57
Manitex Load King	\$1,012,500	\$2,610,000	28
MDMT, Inc.	\$320,000	\$1,000,000	39
Prince Manufacturing Corporation	\$400,000	\$3,935,000	50
Satern Properties, LLC*	\$247,500	\$550,000	27
Southeast Farmers Elevator	\$750,000	\$4,818,000	6.5
Steck Wholesale Foods, Inc.	\$450,000	\$1,800,000	20
Tower Engineering	\$55,000	\$265,000	12
Tristate Laminated Doors/Components	<u>\$150,000</u>	<u>\$1,200,000</u>	<u>37</u>
	\$12,940,500	\$81,435,584	3120
WALWORTH			
Blaze Technologies, Inc.	\$40,000	\$66,700	8
DMCO, Inc.	\$36,000	\$145,000	7
Mobridge Economic Dev. Corp.	\$290,000	\$780,000	150
One World Distribution, Inc.	<u>\$148,000</u>	<u>\$330,000</u>	<u>51</u>
	\$514,000	\$1,321,700	216

REDI Fund Company Activity			
<u>Company</u>	Total Loan	Total Project	Projected
<u>(County in Bold)</u>	Amount	Amount	FTE
YANKTON			Jobs
Applied Engineering, Inc.	\$250,000	\$1,600,000	39
Areawide Business Council – RRLF	\$500,000	\$500,000	0
Dakota Real Properties, LLC	\$563,705	\$2,304,823	32
Ehresmann Engineering, Inc.	\$125,000	\$350,000	15
Excelltech, Inc.	\$81,000	\$182,000	14
Hastings Manufacturing	\$500,000	\$1,576,000	55
M-Tron	\$296,000	\$1,200,000	126
Shur Company I	\$255,000	\$940,685	48
Shur Company II	\$150,000	\$533,204	30
Shur Company III	\$240,000	\$646,400	50.5
Summit Precision, Inc.	\$500,000	\$2,330,000	85
Yankton Area Progressive/L&M Radiator- I	\$830,000	\$2,261,497	53
Yankton Area Progressive/L&M Radiator- II	<u>\$924,525</u>	<u>\$2,239,940</u>	<u>105</u>
	\$5,215,230	\$16,664,549	653
EDFA -APEX II and III	\$325,000	\$625,000	N/A
TOTAL	\$325,000	\$625,000	
FY 1987-2014			
GRAND TOTAL:	\$224,569,455	\$1,177,382,453	31,150

*Approved, not yet Funded

NOTE: Totals only includes loans approved and funded. All loans approved, but never funded (and officially withdrawn) are listed seperately below.

<u>Company</u> <u>(County in Bold)</u>	Total Loan Amount	Total Project Amount	Projected FTE Jobs
Withdrawn Loans			
Aberdeen Development Corporation IV	\$1,500,000	\$6,300,000	125
Acrylics by Jane of SD Inc.	\$170,000	\$600,000	31.5
Adams Holding, LLC II*	\$2,000,000	\$4,500,000	50
Anderson Seed Co., Inc.	\$256,650	\$3,374,218	22
APA Optics, Inc.	\$300,000	\$6,375,000	106
Bar -Sto Precision Machine	\$175,000	\$389,500	18
BioChem Building Applications #1	\$300,000	\$1,200,000	25
Bioverse, Inc.	\$200,000	\$620,000	27
Bell Farms, LLP	\$500,000	\$3,000,000	8
Cimpl Meats, Inc.	\$200,000	\$700,000	8
CJ Stengel, Inc.	\$200,000	\$1,341,425	4
Clark Area New Horizons, LLC*	\$765,000	\$1,700,000	78
CoEv, Inc.	\$1,250,000	\$4,120,000	249
Conseco Fin. Serv. Corp. IV	\$1,000,000	\$3,566,000	200
CoSentry Dakotas, LLC *	\$100,000	\$326,525	9
Dakota Machine Service, Inc.	\$70,000	\$180,000	11
Davisco Int. Inc	\$262,000	\$9,517,000	63
Dayton Rogers Manufacturing	\$750,000	\$4,502,964	90
DeSCo Architectural, Inc	\$75,000	\$75,000	31
Dove Performance Parts, Inc.	\$180,000	\$400,000	32.5
EMI Properties, LLC	\$898,450	\$3,606,282	27
EMPI Inc.	\$450,000	\$1,100,000	175.5
EPS Technologies	\$213,750		
EPS Technologies	\$225,000	\$225,000	144
Faultless Nutting, Inc.	\$450,000	\$1,000,000	250
FIMCO, Inc.	\$575,000	\$9,357,024	83.25
Front Line Chemical, LLC*	\$150,000	\$510,000	16
Hilton Development Corporation	\$350,000	\$6,190,000	37.75
Hi-Qual Manufacturing, Inc. II	\$500,000	\$2,000,000	58
Integrity Meats	\$125,000	\$500,000	24
Intercity Holding Co	\$225,000	\$500,000	
Jack First Inc.	\$31,500	\$70,000	
LSI, Inc. III*	\$1,200,000	\$9,408,940	<u>75</u>
Lund Industries, Inc.	\$1,000,000	\$1,000,000	
Marquardt Transportation	\$100,000	\$315,859	179
Micro-Voice, Inc.	\$162,000	\$410,000	18
Minnkota Fisheries, Inc.	\$75,000	\$302,500	15
MPI	\$500,000	\$500,000	100
MSD Woodworking Company	\$32,500	\$113,000	18
Muller Industries, Inc.	\$150,000	\$554,000	30
NE Venture, Inc. III	\$200,000	\$600,000	41
NewCo, LLC	\$300,000	\$2,000,000	36
Northern Beef Packers Limited Partnership	\$5,000,000	\$124,699,322	566
Northland Laboratories	\$100,000	\$195,000	30
Nutraferma, Inc.	\$1,000,000	\$10,000,000	34
Paytrust, Inc.	\$1,000,000	\$4,044,000	203
Portfolio Analysis Systems, Inc	\$100,000	\$650,000	34
PPD USA, Inc.	\$500,000	\$500,000	166

<u>Company</u> <u>(County in Bold)</u>	Total Loan Amount	Total Project Amount	Projected FTE Jobs
Rapid City Economic Dev Foundation	\$850,000	\$2,000,000	99
RBE Electronics	\$495,000	\$1,100,000	125
Ridgefield Farms of South Dakota	\$3,000,000	\$40,750,000	272
RKG, Inc.	\$150,000	\$585,000	46
RMA, Inc.	\$72,525	\$221,167	133.5
Schnell Welding & Machine	\$14,000	\$40,000	9.5
Sentra@NET, LLC	\$250,000	\$1,180,000	40
Sheldahl, Inc.	\$500,000	\$2,250,000	147.5
South Dakota Wheat Growers Assoc.	\$1,400,000	\$7,125,000	21
Special Teams, Inc.	\$350,000	\$600,000	62
Synergy Solutions, Inc.	\$200,000	\$461,400	50
TCF & Blower Companies, Ltd.	\$300,000		
TCF & Blower Companies, Ltd.	\$400,000		
TDS Dakota Land Holdings, LLC	\$1,750,000	\$7,567,000	287
Telnet Systems, Inc	\$250,000	\$677,000	225
Tower Tech Systems, Inc.	\$1,500,000	\$23,990,000	145
Tri-State Ethanol Company	\$450,000	\$18,000,000	<u>19</u>
Tri-State Ethanol Company	\$450,000	\$18,000,000	25
Ultimate Direction, Inc	\$50,000		
Vallon Inc.	\$430,000	\$2,308,555	91
WhBMC Group, Inc	\$226,250	\$512,500	46
Waterotown Development Corp. VI*	\$359,450	\$1,700,000	30
Watertown Dev. Co./Focus Watertown	\$450,000	\$1,000,000	13
Webster Area Dev. Corp./Anderson Ind.	\$200,000	\$563,500	16
Wilson Trailer Sales, Inc.	\$3,000,000	\$12,350,000	138
Workrite Uniform Company	\$225,000	\$225,000	
MFS Partnership (Entrepreneur Support Fund)	<u>\$50,000</u>	<u>\$0</u>	<u>0</u>
Total Withdrawn	\$43,239,075	\$376,344,681	5589

**SOUTH DAKOTA REVOLVING ECONOMIC DEVELOPMENT
AND INITIATIVE FUND**

AUDIT REPORT

Fiscal Year Ended June 30, 2014



State of South Dakota
Department of Legislative Audit
427 South Chapelle
% 500 East Capitol
Pierre, SD 57501-5070

SOUTH DAKOTA REVOLVING ECONOMIC DEVELOPMENT
AND INITIATIVE FUND
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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Dennis Daugaard
Governor of South Dakota

and

South Dakota Board of Economic Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the South Dakota Revolving Economic Development and Initiative Fund (REDI Fund) an enterprise fund of the State of South Dakota, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the REDI Fund's basic financial statements and have issued our report thereon dated September 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Dakota Board of Economic Development's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Dakota Board of Economic Development's internal control. Accordingly, we do not express an opinion on the effectiveness of South Dakota Board of Economic Development's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

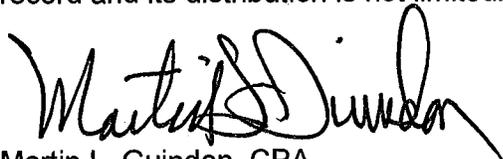
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Dakota Board of Economic Development's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Martin L. Guindon, CPA
Auditor General

September 30, 2014



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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

The Honorable Dennis Daugaard
Governor of South Dakota

and

South Dakota Board of Economic Development

Report on the Financial Statements

We have audited the accompanying financial statements of the South Dakota Revolving Economic Development and Initiative Fund (REDI Fund), an enterprise fund of the State of South Dakota, as of and for the year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the REDI Fund, an enterprise fund of the State of South Dakota, as of June 30, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the REDI Fund and do not purport to, and do not, present fairly the financial position of the State of South Dakota, as of June 30, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the REDI Fund's basic financial statements. The listing of the Board of Economic Development Members and the schedules of Loan Portfolio: Loans Approved Fiscal Year 2014 and REDI Fund Company Activity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014 on our consideration of the South Dakota Board of Economic Development's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Dakota Board of Economic Development's internal control over financial reporting and compliance.



Martin L. Guindon, CPA
Auditor General

September 30, 2014

SOUTH DAKOTA REVOLVING ECONOMIC DEVELOPMENT
AND INITIATIVE FUND
STATEMENT OF NET POSITION
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents (Note 2.C.)	\$ 66,302,986
Accounts Receivable – Bankwest	203,197
Due From Other Funds	500,000
Loan Interest Receivable	135,696
Investment Income Receivable	186,079
Loans Receivable (Net) (Note 2.E.)	<u>16,725,396</u>
Total Current Assets	<u>84,053,354</u>

Noncurrent Assets:

Due From Other Funds	1,000,000
Equipment (Net) (Note 2.D.)	3,550
Loans Receivable (Net) (Note 2.E.)	<u>21,985,734</u>
Total Noncurrent Assets	<u>22,989,284</u>

TOTAL ASSETS 107,042,638

LIABILITIES

Current Liabilities:

Accounts Payable	13,816
Wages Payable	28,492
Grants Payable	4,000
Accrued Leave Liability (Note 5)	19,431
Due to Other Funds	<u>8,639</u>
Total Current Liabilities	<u>74,378</u>

Noncurrent Portion of Accrued Leave Liability (Note 5) 17,343

TOTAL LIABILITIES 91,721

NET POSITION

Investment in Capital Assets	3,550
Unrestricted	<u>106,947,367</u>

TOTAL NET POSITION \$ 106,950,917

The notes to the financial statements are an integral part of this statement.

SOUTH DAKOTA REVOLVING ECONOMIC DEVELOPMENT
AND INITIATIVE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2014

Operating Revenue:	
Interest Income on Loans	\$ 1,253,055
Other Income	132,286
Total Operating Revenue	<u>1,385,341</u>
Operating Expenses:	
Personal Services and Benefits	188,703
Travel	11,501
Contractual Services	288,725
Supplies and Materials	25,708
Grants and Subsidies	27,502
Depreciation Expense (Note 2.D.)	4,219
Bad Debt Expense	12,365
Total Operating Expense	<u>558,723</u>
Operating Income	826,618
Nonoperating Revenue (Expense):	
Investment Income	795,155
Other Income	31,638
Services Provided to Others (Note 2.F.)	(269,222)
Other Expenses	(51,258)
Total Nonoperating Revenue (Expense)	<u>506,313</u>
Income Before Transfers	1,332,931
Transfers:	
Transfers In – Ethanol Fuel Fund (Note 2.H.)	2,000,000
Transfers In – Building South Dakota (Note 2.H.)	1,500,000
Transfers Out – Department of Agriculture (Note 2.H.)	(1,157,511)
Total Transfers	<u>2,342,489</u>
Change in Net Position	3,675,420
Beginning Net Position	<u>103,275,497</u>
End of Year Net Position	<u>\$ 106,950,917</u>

The notes to the financial statements are an integral part of this statement.

SOUTH DAKOTA REVOLVING ECONOMIC DEVELOPMENT
AND INITIATIVE FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2014

Cash Flows From Operating Activities:		
Receipts for Loan Repayments	\$ 10,158,703	
Payments for Loans Originated	(7,981,644)	
Receipts from Customers and Users	170,276	
Payments for Employee Services and Benefits	(183,371)	
Payments for Interfund Services Used	(75,145)	
Payments to Suppliers and for Claims	<u>(285,600)</u>	
Net Cash Provided (Used) by Operating Activities		1,803,219
Cash Flows From Noncapital Financing Activities:		
Transfers In – Ethanol Fuel Fund	2,000,000	
Transfers Out – Department of Agriculture	(852,882)	
Services Provided to Others	<u>(269,222)</u>	
Net Cash Provided (Used) by Noncapital Financing Activities		877,896
Cash Flows From Investing Activities:		
Pooled Investment Income	768,164	
Investment Costs	<u>(51,258)</u>	
Net Cash Provided (Used) by Investing Activities		<u>716,906</u>
Net Increase in Cash and Cash Equivalents During the Fiscal Year		
		3,398,021
Cash and Cash Equivalents at Beginning of Year		
		<u>62,904,965</u>
Cash and Cash Equivalents at End of Year		
		<u>\$ 66,302,986</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)		\$ 826,618
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation/Amortization Expense	4,219	
Decrease/(Increase) in Assets:		
Loans Receivable	851,000	
Loan Interest Receivable	(44,228)	
Accounts Receivable – Bankwest	(134,524)	
Asset Held For Resale	302,112	
Increase/(Decrease) in Liabilities:		
Accounts Payable	(12,826)	
Wages Payable	2,102	
Grants Payable	4,000	
Accrued Leave Liability	3,230	
Due to Other Funds	1,516	
Total Adjustments		<u>976,601</u>
Net Cash Provided (Used) by Operating Activities		<u>\$ 1,803,219</u>
Noncash Investing, Capital and Financing Activities:		
Transfer of Loans to Department of Agriculture		\$ (446,318)

The notes to the financial statements are an integral part of this statement.

SOUTH DAKOTA REVOLVING ECONOMIC DEVELOPMENT
AND INITIATIVE FUND
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. AUTHORIZING LEGISLATION

The South Dakota Revolving Economic Development and Initiative Fund (REDI Fund) was created in 1987 by an act of the South Dakota Legislature. The REDI Fund was established for the purpose of making loans for economic development. The REDI Fund is a fund of the State of South Dakota and is administered by the Governor's Office of Economic Development (GOED).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Fund Accounting

The REDI Fund is accounted for as an enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises. The REDI Fund is a part of the State of South Dakota and, as such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota.

B. Basis of Accounting

The REDI Fund follows the accrual basis of accounting. This method of accounting recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as investment earnings and services provided to others, are reported as nonoperating.

C. Cash and Investments

Cash includes cash on hand and a participating interest in the State's internal investment pool held by the State Treasurer and is used for the purposes of reporting cash flows. The amount held in the State's internal investment pool is reported at fair value.

Management of the State's internal investment pool is the statutory responsibility of the South Dakota Investment Council (SDIC). The investment policy and required risk disclosures for the State's internal investment pool are presented in the SDIC's audit report which can be obtained by writing to the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501 or by calling (605)773-3595.

D. Capital Assets

Assets are capitalized based on policies established by the South Dakota Bureau of Finance and Management. Capital assets are capitalized at cost or estimated historical cost, if the original cost is unavailable. Equipment is capitalized when the cost of individual items is \$5,000 or more. Depreciation on capital assets is computed using the straight line method over the estimated useful lives of the assets, which is 3 to 10 years for all assets. When assets are disposed of, the costs and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in the results from operations in the period of disposal.

A summary of changes in capital assets for the year ended June 30, 2014 is as follows:

	Balance 7/01/13	Increases	Decreases	Balance 6/30/14
Equipment	\$ 27,599	\$	\$	\$ 27,599
Accumulated Depreciation	19,830	4,219		24,049
Capital Assets, Net	<u>\$ 7,769</u>	<u>\$ 4,219</u>	<u>\$ 0</u>	<u>\$ 3,550</u>

E. Loans Receivable

Loans receivable at June 30, 2014, is shown net of the allowance for doubtful loans of \$1,774,615.

F. Services Provided to Others

Earnings on the REDI Fund may be used for the administrative costs of the Division of Finance of the GOED per SDCL 1-16G-24. Earnings used for the administrative costs of the Division of Finance of the GOED totaled \$269,222 for the year ending June 30, 2014.

G. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

H. Transfers

During the 2011 legislative session, the legislature designated \$2,000,000 to the REDI Fund from the Ethanol Fuel Fund for fiscal years 2012 to 2016.

During the 2013 legislative session, the legislature approved the transfer of the Value Added Agriculture Subfund from the Board of Economic Development to the Department of Agriculture. The transfer occurred July 1, 2013.

During the 2014 legislative session, the legislature appropriated \$30,000,000 to the Building South Dakota Fund, of which no more than \$10 million can be distributed annually. Per SDCL 1-16G-48 the REDI Fund will receive 5% of the amount distributed. A receivable and transfer in has been recorded in fiscal year 2014 for the distributions to be received in the REDI Fund.

3. SOUTH DAKOTA JOBS GRANT PROGRAM ACTIVITY

During the 2013 legislative session, the South Dakota Jobs Grant Program was created within the REDI Fund. An original deposit of \$350,000 was deposited in the fiscal year ending June 30, 2013. The Board of Economic Development may provide grants to project owners for new or expanded facilities with project costs less than \$20,000,000 or for equipment upgrades with project costs less than \$2,000,000.

The following is a breakdown of the activity in the subfund for fiscal year 2014 and its corresponding net position at June 30, 2014:

	South Dakota Jobs Subfund
Beginning Net Position	\$ 350,462
Due From Other Funds	1,500,000
Grant Expense	(27,502)
Ending Net Position	<u>\$ 1,822,960</u>

4. COMMITMENTS

At June 30, 2014, the REDI Fund had the following commitments:

REDI Fund loans approved by the South Dakota Board of Economic Development but not disbursed at June 30, 2014	\$ 21,131,018
South Dakota Economic Development Finance Authority for the Agriculture Processing and Export Loan Program (RECD Intermediary Relending Program)	\$ 325,000

5. ACCRUED LEAVE LIABILITY

Annual leave is earned by all employees. Upon termination, employees are eligible to receive compensation for their accrued annual leave balances. Employees who have been continuously employed by the State of South Dakota for at least seven years prior to the date of their retirement, voluntary resignation, or death will receive payment for one-fourth of their accumulated sick leave balance, such payment not to exceed the sum of twelve weeks of employee's annual compensation. The total leave liability of \$36,774 at June 30, 2014, is shown as short and long-term liabilities on the Statement of Net Position.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Accrued Leave Liability	\$ 33,544	\$ 31,987	\$ 28,757	\$ 36,774	\$ 19,431

6. RETIREMENT PLAN

The GOED participates in the South Dakota Retirement System (SDRS), a cost-sharing, multiple-employer defined benefit pension plan established to provide retirement, disability,

and survivor benefits for employees of the State and its political subdivisions. Authority for establishing, administering, and amending plan provisions is found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements, footnote disclosures, and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605)773-3731.

Employees are required by state statute to contribute 6 percent of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. The right to receive retirement benefits vests after three years of credited service. The GOED's contributions to the SDRS for the fiscal years ended June 30, 2014, 2013, and 2012 were \$21,210, \$18,698, and \$18,840, respectively, equal to the required contributions each year.

7. PUBLIC ENTITY POOL FOR LIABILITY

The GOED is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The GOED is uninsured for property loss. The GOED participates in the various programs administered by the State of South Dakota. These risk management programs are funded through assessments charged to participating entities. The risk management programs include: 1) coverage for risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability) through the State's Public Entity Pool for Liability Fund, 2) coverage of employee medical claims through the State's health insurance program, 3) coverage for unemployment benefits through the State's Unemployment Insurance Fund, and 4) coverage for workers' compensation benefits through the State's Workers' Compensation Fund. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.



Division of Banking
Tel: 605.773.3421
Fax: 866.326.7504
banking.sd.gov

09/16/2014

Pat Costello, Director
Governor's Office of Economic Development
711 East Wells
Pierre, SD 57501-3369

Re: REDI Fund Report of Examination

Dear Mr. Costello:

The South Dakota Division of Banking (SDDOB) started an examination of the REDI Fund policies, procedures, and loan quality on September 8, 2014. A copy of the Report prepared by SDDOB Examiner Jordan LaBrie is enclosed. Please review the Report at your next meeting and note your review in the minutes.

The examination finds the risk profile for the REDI Fund to be consistent with previous examinations. The percentage of adversely classified loans remains stable from the 2012 and 2013 examinations.

Credit administration practices are strong and the loan review process provides additional monitoring.

If you have any questions regarding the report, you may direct them to me at (605) 773-3421.

Sincerely,

A handwritten signature in black ink that reads 'Bret Afdahl'. The signature is written in a cursive style.

Bret Afdahl
Director of Banking

Examination Conclusions and Comments (Continued)	00001
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	Current Exam	Prior Exam	Prior Exam
Examination Start Date	<u>09/08/2014</u>	<u>09/30/2013</u>	<u>10/15/2012</u>
Examination Asset Review Date	<u>07/31/2014</u>	<u>08/30/2013</u>	<u>08/31/2012</u>

EXAMINATION SCOPE

The Governor's Office of Economic Development (GOED) Revolving Economic Development and Initiative (REDI) Fund loans were reviewed the week of September 8, 2014. The scope of the examination included loan quality, credit administration, and the adequacy of the Allowance for Loan Losses (ALL) using GOED's defined methodology and an asset review date of July 31, 2014. Fourteen credits totaling \$26,899M, or 70.64 percent of total loans, were reviewed. The loan scope criteria were as follows:

- Loans greater than \$1,500M,
- Loans included on the internal watch list,
- Loans adversely classified at the previous examination,
- Loans with two or more extensions, and
- Loans past due 30+ days.

LOAN QUALITY

Overall, loan quality remains consistent with previous examinations. While the volume of classifications has decreased, the size of the portfolio has also decreased, yielding little change in the percentage of classified loans to total loans. Note that the 2014 figures below exclude loans that have paid off after the asset review date.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Adversely Classified (in 000's)	\$2,235	\$3,103	\$3,610	\$5,729	\$5,343
Total \$ Loans (in 000's)	\$31,419	\$41,401	\$47,908	\$46,603	\$49,465
% of Classifications	7.11%	7.49%	7.54%	12.29%	10.80%

CREDIT ADMINISTRATION

Credit administration practices remain strong. Mandy Kuipers, the Loan Servicing Agent, reviews all loan documentation and has developed a tickler system to ensure that updated information is obtained as required by policy and loan agreements. The efficiency of the tickler system is proven in that there was only one technical exception noted.

BankWest Loan Review Specialist Mike Bietz performs collateral and financial analysis on REDI Fund loans. Reviews include cash flows and historical trends, as well as recommendations for classification. Mr. Bietz assists Ms. Kuipers in presenting the reviews and recommendations to the Board; however, the Board makes the final determination of classifications. All classified assets identified in this report were internally classified.

ALLOWANCE FOR LOAN LOSSES

The REDI Fund policy establishes an ALL based on internal classification of loans as determined by the Board. Reserves are established at 3.00 percent of loans on the watch list, 12.50 percent of Substandard loans, 50.00 percent of Doubtful loans, and 100.00 percent of any loans classified Loss. All other loans are reserved at 1.00 percent of the outstanding balance. The ALL is adequately funded based on the defined methodology.

EXIT MEETING

Examiner-in-Charge (EIC) Jordan LaBrie presented examination findings to GOED management on September 10, 2014. Finance Director Kim Easland and Loan Officer Travis Dovre represented the GOED. Loan Servicing Agent Mandy Kuipers and Regional President Terry Fitzke represented BankWest, Inc.

Examiner (Signature) <i>Jordan LaBrie</i>	Reviewing Official (Signature) and Title <i>Burt Ahlhal</i>
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Board of Economic Development
October 3, 2014

BILLS REQUIRING APPROVAL FOR PAYMENT

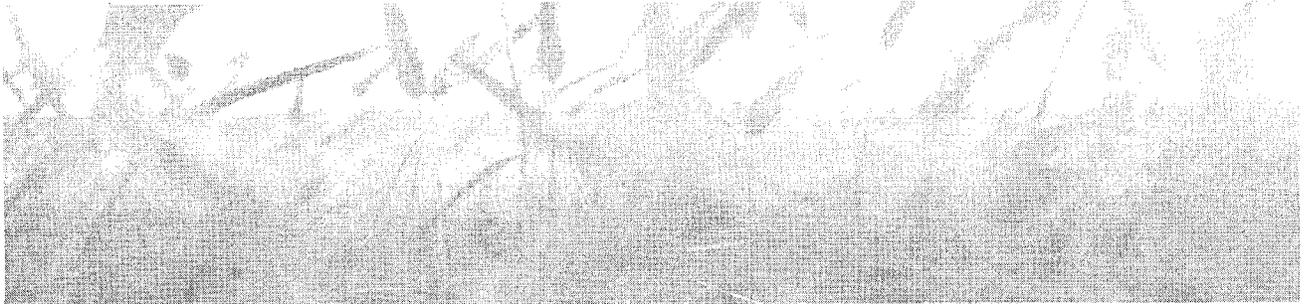
Company	Amount	Regarding
Maxwell & Bower Agency	\$3,544.92	TTJ Properties, LLC

GREAT PLAINS BROKERAGE

Mailing Address:
PO Box 90447
Sioux Falls, SD 57109-0447

Toll Free Number: 1-800-251-5316

Website: www.gpbi.com



SD & ND Contact: Jason Kelling

Email: Jason@gpbins.com Phone: 605.274.7129 Fax: 605.274.7529

MN, NE & IA Contact: Tammy Barnhart

Email: Tammy@gpbins.com Phone: 605.274.7596 Fax: 605.274.7597

MT, WY & ID Contact: Elaine Price

Email: Elaine@gpbins.com Phone: 605.274.7594 Fax: 605.274.7592

Account Manager: Joanne Johnson

Email: joanne@gpbins.com Phone: 605.274.7138 Fax: 605.274.7538

Date: 9/18/2014- Renewal quote based on expiring information-advise if changes
Policy renews 10/24/2014

Agency: Maxwell & Bowar

Name Insured: SD Board of Economic Dev & SD Economic Dev Finance Authority

*QUOTATION ONLY - TERMS & CONDITIONS MAY NOT BE EXACTLY AS REQUESTED. PLEASE REVIEW THIS QUOTE CAREFULLY.
QUOTE IS GOOD FOR 30 DAYS.

12 Month Term

Commercial Property Coverage

Location #1-1	Limit of Insurance	Valuation	Deductible	Co-Insurance	Peril
Building:	\$400,000	ACV	\$2,500	80%	Broad
Contents:	\$150,000	ACV	\$2,500	80%	Broad
• 2% Wind/Hail subject to min of \$2,500					

- **If Hail Damage is determined to be just appearance, exclusion will apply for Appearance Damage**

Optional Coverage

Scheduled Property: \$N/A
 Unscheduled Tools: \$N/A

EXCLUSIONS

- Assault & Battery Exclusion
- Fungi/Bacteria Exclusion
- Participants Exclusion While Actively Participating (see attached wording)
- Lead Contamination Exclusion
- Communicable Disease Exclusion
- War Exclusion
- Professional Liability Exclusion
- Punitive Damages Exclusion
- Asbestos Exclusion
- Pollution Exclusion
- Liquor Liability Exclusion
- Sexual Abuse & Molestation Exclusion
- Employment Practices Exclusion
- Employers Liability Exclusion
- Terrorism Exclusion

Terms & Conditions

Minimum Earned Premium: 25% (Minimum & Deposit)
 Commission: 10%
 Insurance Carrier: Underwriters at Lloyds (Brit) (A- Rated)

Premium Breakdown:

General Liability: \$
 Property: \$6,125
 Optional Coverage: \$
 Inspection Fee: \$250.00
 Policy Fee: \$
 Surplus Lines Tax: \$170.53
 SD Tax Filing Fee: \$19.13
TOTAL: \$6,564.66

*RFIDI - \$3,544.92
 TDFI - \$3,019.74*

_____ YES! Please Bind Coverage Per This Quote.
 Effective _____
 Producers Signature _____ Date _____