

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 14, 2015, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 14, 2015, 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*

Tom Jones

Non-Voting

*Bruce
Rampelberg*

Scott Parsley

Brian Gosch

*Spencer
Hawley*

**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 March 9, 2015 and April 2, 2015, as presented.

Motion made by _____ and seconded by _____.

Special Assets Contract

Motion to approve the Special Assets Contract 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. No action taken.

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

Motion made by _____ and seconded by _____.

Loan Review

CurMar, LLC

Motion to approve the loan review and recommendation as presented.

Motion made by _____ and seconded by _____.

Old Business

Carl V. Carlson Company

Motion to approve extending the commitment letter for three additional months until June 11, 2015.

Motion made by _____ and seconded by _____.

CurMar, LLC

Motion to approve extending the balloon payment until May 31, 2015.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

Campbell County Wind Farm, LLC

Motion to be presented at time of meeting.

Motion made by _____ and seconded by _____.

New Business

TruXedo, Inc.

Motion to approve the South Dakota Jobs grant application of TruXedo, Inc. as recommended by staff in the board packet.

- 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 is recommended in the amount of up to \$12,200.00, but not to exceed 100 percent of the State Sales and Use Tax paid on eligible equipment costs during the project period for TruXedo, Inc. 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 made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, SD
TUESDAY, APRIL 14 2015, 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 March 9, 2015 and April 2, 2015 as presented.
- Special Assets Contract**
RECOMMENDED ACTION: Motion to approve the Special Assets Contract as presented.
- 9:40 A.M. Commissioner's Comments
- 9:45 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.
- 10:20 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions
Carl V. Carlson Company
CurMar, LLC
Campbell County Wind Farm, LLC
TruXedo, Inc.

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
MONDAY, MARCH 9, 2015, 10:00 A.M. CT**

Members Present

Chairman Jeff Erickson, Tony Klein, Sharon Casey, John Calvin, Tom Burchill, Mike Luken, Greg Heineman, Tim Kessler, Ted Husted, Don Kettering, Pat Prostrollo, Tom Jones and Bruce Rampelberg

Staff Present

Commissioner Pat Costello, Kim Easland, Ashley Moore, Cassie Stoesser, Cherissa Wright, Dale Knapp, Alex Smith and Mike Turnwall

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 10:42 A.M.

Agenda

A motion was made by Tony Klein and seconded by John Calvin to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Tom Burchill and seconded by Sharon Casey to approve the minutes of the meetings held February 11, 2015, February 18, 2015 and March 2, 2015, as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Pat Prostrollo and seconded by Ted Husted to enter into executive session at 10:45 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 11:21 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. No action taken.

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

Motion passed by a roll call vote.

Loan Review Summary

eyeBrain Medical, Inc. and H.F. Webster Inc.

A motion was made by Tom Burchill and seconded by John Calvin to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

Old Business

H.F. Webster

A motion was made by Tim Kessler and seconded by Pat Prostrullo to approve releasing all personal guarantees and obtaining a corporate guarantee.

Motion passed by a roll call vote.

Hansen Manufacturing Corp.

A motion was made by Don Kettering and seconded by Sharon Casey to approve extending the commitment letter for three additional months until June 9, 2015.

Motion passed by a roll call vote.

City of Parkston

A motion was made by Tony Klein and seconded by Tom Burchill to approve extending the project completion date to December 31, 2015.

Motion passed by a roll call vote.

PEG Project 1, LLC

A motion was made by Greg Heineman and seconded by Sharon Casey to approve a 180 day Agreement extension.

Motion passed by a roll call vote.

New Business

Kerry K Engle Separate Property Trust

A motion was made by Tom Burchill and seconded by Pat Prostrullo approve the loan request from Kerry K Engle Separate Property Trust in the amount of \$607,500.

Secured by a shared first position on the real estate and personal guarantees of principals with 10% or more ownership. Bank covenants will be mirrored within the loan agreement.

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 with Don Kettering abstaining.

Economic Development Partnership Program IEDC Basic Training

Worthing Economic Development Corporation, Aberdeen Development Corporation and City of Summerset

A motion was made by Ted Hustead and seconded by Tim Kessler to approve the Economic Development Partnership Program IEDC Basic Training grants for the following borrowers are recommended by staff and grant committee:

Worthing Economic Development Corporation

Approve an Economic Development Partnership grant award to the Worthing Economic Development Corporation in the amount of \$860.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Aberdeen Development Corporation

Approve an Economic Development Partnership grant award to the Aberdeen Development Corporation in the amount of \$1,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

City of Summerset

Approve an Economic Development Partnership grant award to the City of Summerset in the amount of \$1,000.00, 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

Brookings Economic Development Corporation (RLF), Burke Business Promotion Corporation (RLF) and South Dakota Technology Business Center

A motion was made by John Calvin and seconded by Sharon Casey to defer the decision until the June board meeting as recommended by staff and Grant Committee.

Motion passed by a roll call vote

City of Chamberlain (RLF) and Yankton Area Progressive Growth

A motion was made by Tom Burchill and seconded by Tim Kessler to approve the Economic Development Partnership Program grants for the following borrowers are recommended by staff and grant committee:

City of Chamberlain (RLF)

Approve an Economic Development Partnership grant award to the City of Chamberlain (RLF) in the amount of \$150,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Yankton Area Progressive Growth

Approve an Economic Development Partnership grant award to the Yankton Area Progressive Growth in the amount of \$141,613.67, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding

Motion passed by a roll call vote with Don Kettering and Sharon Casey abstaining.

Local Infrastructure Improvement Program Grant Applications

City of Belle Fourche

A motion was made by Ted Hustead and seconded by Tim Kessler to defer the decision until the June board meeting as recommended by staff and Grant Committee.

Motion passed by a roll call vote.

Polaris Sales Inc. - Project 1

A motion was made by Pat Prostrollo and seconded by Tom Jones to approve the Reinvestment Payment application of Polaris Sales Inc. - Project 1 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, the request of Polaris Sales Inc. for an equipment upgrades reinvestment payment of \$44,900.00, but not to exceed 50 percent of the State Sales and Use Tax paid on eligible equipment costs, is approved for Polaris Sales Inc. 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 passed by a roll call vote

South Dakota Wheat Growers

A motion was made by Ted Hustead and seconded by Don Kettering to deny the Reinvestment Payment application from South Dakota Wheat Growers as recommended by staff in the board packet.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Tom Burchill to adjourn the meeting at 11:35 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
THURSDAY, APRIL 2, 2015, 1:00 P.M. CT**

Members Present

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

Staff Present

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

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:02 p.m.

Agenda

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

Motion passed by a roll call vote.

Executive Session

A motion was made by Don Kettering and seconded by Tom Burchill to enter into executive session at 1:05 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 1:13 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. No action taken.

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

Motion passed by a roll call vote.

Old Business

Carl V. Carlson Company

Credit Committee recommends to the Board extending the commitment letter for three additional months until June 11, 2015.

A motion was made by Tom Burchill and seconded by Don Kettering.

Motion passed by a roll call vote.

CurMar, LLC

Credit Committee recommends to the Board extending the balloon payment until May 31, 2015 and approve the loan review as presented.

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

Motion passed by a roll call vote.

Adjourn

A motion was made by Dale Clement and seconded by Tom Burchill to adjourn the meeting at 1:15 p.m.

Motion passed by a roll call vote

Dale Clement, Secretary or
Tony Klein, Treasurer

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
STATE OF SOUTH DAKOTA
CONSULTING CONTRACT

AGREEMENT made and entered into this th day of April, 2015, by and between The State of South Dakota, Governor's Office of Economic Development, a state agency, 711 E. Wells Ave., Pierre, SD 57501, (the "State") and DAKA Group, LLC, 5000 S Pennbrooke Avenue, Sioux Falls SD 57108 (the "Consultant").

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will assist GOED with credit liquidations, credit workouts and all processes involved with the collection process to include but not limited to: lender meetings, travel to borrowers facility for site and monitoring visits, and monthly status updates to the respective boards on borrowers. Upon an event of liquidation, Consultant will assist GOED with securing collateral and coordinating sales activities with lenders, landlords and other parties involved. Consultant will also compile any information required to complete the liquidation processes and all related activities.

2. The Consultant's services under this Agreement shall commence on April 16, 2015 and end on April 15, 2016, unless renewed or sooner terminated pursuant to the terms hereof.

3. The Consultant will be allowed to access relevant GOED credit files in person or through an offsite user computer log in for all credit analysis programs required to complete the Consultant's duties and responsibilities under this Contract. The Consultant shall maintain all borrower information in strict confidence and will at all times be bound by and comply with SDCL 1-16G-11 (copy attached).

4. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$46,000.00 per year and is based on an annual retainer fee of \$1,000.00 plus \$75.00 per hour worked and billed, not to exceed 600 hours. The retainer fee will be invoiced separately by Consultant at the start of the contract period. Consultant shall thereafter submit detailed invoices for payment to the State on a bi-monthly basis, which invoices shall describe in reasonable detail the Services performed during the applicable time period, the amount of time incurred for each task, and the total amount of compensation requested. Consultant shall pay all of Consultant's own expenses incurred in performing the Services hereunder, except that the State will reimburse consultant for hotel expenses incurred by Consultant in performing services on behalf of the State, which expenses shall not be incurred without the prior oral or written approval of the State. The State agrees to pay each invoice within 30 days after it receives such invoice from Consultant. Notwithstanding the foregoing, the maximum amount of compensation for hourly services and expenses, plus the retainer, under this agreement shall be \$46,000.00.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

6. The Consultant, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Commercial General Liability Insurance: The Consultant shall maintain adequate commercial general liability insurance or equivalent form with a limit of not less than \$300,000 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Business Automobile Liability Insurance: The Consultant shall maintain adequate business automobile liability insurance.

C. Worker's Compensation Insurance: The Consultant shall procure and maintain workers' compensation and employers' insurance as required by South Dakota law.

Before beginning work under this Agreement, the Consultant shall furnish the State, at its request, with properly executed Certificates of Insurance, which shall clearly evidence all insurance required in this Agreement and which provide that such insurance may not be canceled, except on 30 days' prior written notice to the State.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

11. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Pat Costello on behalf of the State, and by Mike Snyders, on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

16. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

17. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

SIGNATURE PAGE FOLLOWS

STATE

CONSULTANT

BY: _____

BY: _____

DATE: _____

DATE: _____

State Agency Coding (MSA Center): 0105112520

State Agency MSA Company for which contract will be paid: 6510

Object/Subject MSA account to which voucher will be coded: 52041300

Name and Phone number of contact person in State Agency who can provide additional information regarding this contract: Kim Easland 605-773-5195