

Attachment 1

**RECEIVED**

OCT 05 2021

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

10/04/21

P U C - Cody

We wish to copy your office on today's directive to our Coop .

And we want PUC to know that the bank receiving the indicated payment 350M on December 1 is an important piece in all of this right now, certainly for the bank.

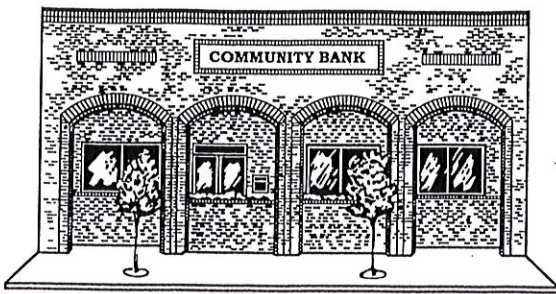
We have had a million dollar loan with Coop in suspense now for 3.5 years, we need a meaningful downstroke this Fall to evidence payment progress.

Will appreciate you advocating for this in your ongoing discussions with the Coop Board.

Aside of this, we are eager to know how things are going with the Battle Creek lease, and any other favorable progress at Coop.

Best Regards

President



10/04/21

Farmers Coop Board of Directors

RE: FC Loan at Bank P 874,000.  
I 199,883.  
1073,883.

March 2021 : Bank provided FC notice requiring full loan payment by FC to bank, on November 15, 2021.

July 2021 : PUC places FC in receivership.

Sept 2021 : FC, with PUC and bank concurrence, engages Battle Creek (BCFC) on lease.

Bank supports the lease experience with BCFC as it represents good, potential benefit for a future grain buying service/operation in the Avon area.


Accordingly, the bank revises its Fall 2021 payment position to be a reduced amount of \$350M on December 1, 2021.

This payment is to be funded from the sale of the M/E items scheduled herewith. The FC BOD needs to achieve this 350M payment to bank on or before December 1.

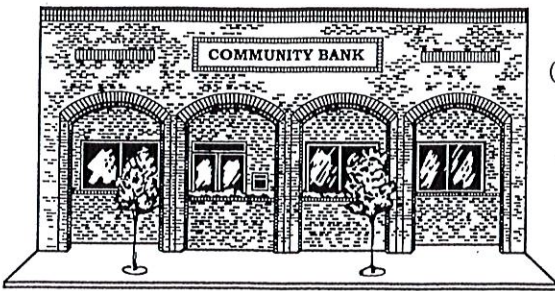
Other payment terms are detailed in the synopsis, enclosed.

Your Board should ratify this payment commitment at your October meeting, and communicate the commitment back to us at the bank following your meeting.

Proceed to effect sale of the M/E in the best way, we would expect to see FC realize on at least 90% of appraised value to enable the 350M payment - see sch .

  
President

cc : Cody @ PUC  
Jimmy Wittmeier



09/10/21

Synopsis of Bank Position in the matter of :  
 FC, PUC Receivership, and FC-BCFC Lease  
 Lease effective date 09/01/21, expires 03/01/22

Key : Public Utility Commission : PUC  
 Farmers Coop : FC  
 Battle Creek Farmers Coop : BCFC  
 Machinery-Trucks-Trailers : MTT

FC Loan at Bank :	Principal	879,000.
	Interest	195,560.
		1,074,560.
	Total	1,074,560.

\* Lien Position between Bank and PUC

Bank states that it holds an effective, superior lien to PUC on all FC cash and equivalents, accounts receivable, contract rights and nongrain inventories. Bank also holds a superior mortgage on certain parcels of FC real estate, for which bank is filed with our county deeds office.

The bank's forward, initial plan for bank loan repayment is thru the sale of the FC MTT inventories.

The proceeds from sale of these assets comes directly to bank as loan payment. Bank has cooperated thus far in releasing cash and A/R collections to the PUC receivership for operating, but bank restates its established lien to these assets.

Releasing these proceeds to PUC is subject to ongoing bank concurrence, founded and based on bank prior lien.

\* Minimum payment from FC to Bank

Due 12/01/21 : \$350,000. see sch

As a condition for a bank collection stay, and for the use of MTT by BCFC during the lease period, bank requires the indicated minimum payment by FC to bank on December 1.

Failure of FC to perform on this minimum will allow bank to accelerate a payment demand for the whole, entire FC loan at bank. Also, FC shall continue to fund a monthly payment of \$5000. to bank during the lease period.

\* Option to extend the BCFC lease on 03/01/22

The bank will readdress our position in this matter on March 1, 2022, thru a joint meeting with FC, PUC and BCFC.

\* FC Sale

Under any conditions, including lease extension by BCFC to 09/01/22, all remaining FC assets/business shall be completely sold by 12/01/22 .

A handwritten signature in black ink, appearing to read 'R. Pier', is located above the typed name.

Richard R. Pier  
President

F Coop  
Fall Sale Items

Appraised Value

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Miller Nitro Sprayer	160,000.
Rogator RG	150,000. *
1990 GMC Fuel Truck	7500.
2000 Chev Pickup	2500.
2005 Chev Pickup	3500.
Willmar Spreaders 6@3M	18000.
Bobcat	30000.
Liquid Knife Machines (2)	5500.
Miller 26' Toolbar	15000.
Brandt Auger	34000.
	<hr/>
	426,000.

~~\* First Lien Position: AGCO Finance ( 33100. )~~

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392,900.

x .90

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353,610.

Minimum Payment to Bank by 12/01/21 : \$ 350,000.