

Date September 24, 2007

COMMUNICATION FROM VISION FUELS DES MOINES, L.L.C., REGARDING ITS PROGRESS TOWARDS FINANCING AND CONSTRUCTION OF A ETHANOL PRODUCTION FACILITY IN THE SE AGRIBUSINESS PARK, AND REQUESTING AMENDMENT TO THE AGREEMENT FOR SALE OF REAL ESTATE

WHEREAS, on January 22, 2007, by Roll Call No. 07-145, the City Council approved an *Urban Renewal Agreement for Sale of Land for Private Redevelopment* (the "Agreement") with Vision Fuels Des Moines, L.L.C., for the sale of approximately 128 acres of City-owned land located within the SE AgriBusiness Urban Renewal at a site south of Vandalia Road between SE 36th and SE 42nd Streets, for the construction of a 110 million gallon dry mill ethanol production facility, with a railroad spur and other associated improvements; and,

WHEREAS, the City has received the accompanying communication from Dan Cornelison, CEO and President of Vision Fuels Des Moines, L.L.C., regarding its progress towards financing and construction of the planned ethanol production facility, and requesting that the Agreement be amended to include 36 acres of additional adjoining City-owned land and to reflect the anticipated schedule for financing, permitting, construction and completion of the facility; and

WHEREAS, Vision Fuels has demonstrated to the City Manager's satisfaction that the sale of the additional 36 acres is required for a railroad yards sufficient to serve any ethanol production facility of this size at this site; IT IS THEREFORE,

MOVED by _____ to receive and file, and to authorize and direct the City Manager to negotiate with Vision Fuels on the sale of the additional 36 acres and other appropriate amendments to the Agreement, for consideration by the City Council after notice and public hearing at a later date.

FORM APPROVED:



Roger K. Brown, Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk



September 14, 2007

Des Moines City Council
Mayor T. M. Franklin Cownie
C/O Matt Andersen
Roger Brown

Re: Vision Fuels Des Moines, LLC
Development and Funding of Ethanol Plant in Agrimergent Park

Dear City Council Members and Mayor Cownie,

Please consider this letter an update on the activities of Vision Fuels and a request to authorize staff to begin the process of amending the Urban Renewal Agreement entered into between Vision Fuels and the City of Des Moines. We are seeking the changes itemized below which have been discussed in detail with your staff. It is Vision Fuels and your staff's intent to have this amendment for review and approval by the City of Des Moines at the October 8, 2007 City Council meeting.

Closing Date

Good news, we have executed a legally binding Term Agreement for the funding of the development and operational costs for our project. This has taken a substantial amount of effort by our team and we are pleased with the terms. That said, there is a significant amount of due diligence and legal documentation that will be required to close funding due to the complex nature of funding this project. We will push the process as quickly as practical. In order facilitate the close of funding, we need to amend the current Urban Renewal Agreement to extend the closing date from October 1, 2007 to January 15, 2008. We have contractually engaged Ryan Companies as our lead contractor and, if all goes as expected and the

weather permits, we should be able to break ground immediately after close of funding.

Additional Property

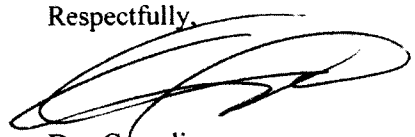
Next, we are seeking to increase the scope of the project to include an additional 36 acres of property at the same price per acre as provided presently in the Urban Renewal Agreement. The additional land was a pre-condition to the issuance of written preliminary approval of the rail site plan by each the Norfolk Southern and the Burlington Northern railroads, a copy of such approval and site plan each attached.

Assignment Language

Finally, given that this is not a traditional debt/equity financing structure, we would like to amend the Urban Renewal Agreement in contemplation that this will be a sale/leaseback structure. Specifically we are seeking language that allows assignment of the agreement per the sale/leaseback structure we have agreed upon in our Term Agreement. Notwithstanding, Vision Fuels, or a wholly owned subsidiary, will both construct and operate the facility.

We appreciate the support of the City of Des Moines and look forward to working with the Council, the Mayor and staff to make this facility, and the Agrimergent Park, a reality.

Respectfully,



Dan Cornelison
CEO & President
Vision Fuels Des Moines, LLC

CC: Doug Dieck/Ryan Companies