MINUTES of Board Meeting

Point and Sandwick Development Trust

7pm 25th February 2014 Ionad Stoodie

Present: Andrew Mackenzie, Scott Connor, Donald MacRitchie, Eddie MacGregor, Duncan Mackay, Donald John MacSween, Calum MacDonald

Apologies: Angus McCormack, K D Macdonald, Jenny Pain, Matt Bruce, Liz Chaplin, Nan Morrison.

1. **Minutes and Matters Arising**
   Duncan Mackay took the Chair. The minutes of the 30th January were accepted.

2. **Point and Sandwick Power Report**
   Calum MacDonald gave an update on progress. The Due Diligence (DD) process with Santander Bank was still being worked through. It had raised a number of issues which needed to be dealt with before we could reach financial close. Examples were:
   - the failure to get a drill on site during the original site investigation because the soft peat;
   - the fact that the new grid connection had a formal connection date in August 2015 instead of the real connection date which we expected to be in September this year;
   - seagulls nesting on Beinn Ghrideag at the time that the ornithological survey was done which means that we are not allowed to do construction work there in May and June without mitigation measures being agreed with the Council;
   - issues arising from the instability of the local grid.

   The Bank requires all risks to be mitigated even if they are extremely unlikely or theoretical risks so we have to come up with solutions to each of these. This is a very time-consuming process and can also be a frustrating process when the risks being addressed seem more theoretical than real.
   As well as the technical DD, there is legal DD, which is particularly complex in our case because of the multiplicity of contracts and land agreements we have with the Trust, LWP, the various crofting interests, HIE, Macaulay Farm, DR Macleod etc.
   In addition there are all the commercial contracts which the bank lawyers were going through with a fine toothcomb.
   While this process is going on, milestones are approaching that need to be met if we are to get the wind farm built before the end of the year. The most immediately

pressing is the need to pay SSE a deposit of £492,000 to enable them to order up switch gear for the sub-station. The switch gear has a long lead time between order and delivery. It has to be ordered by March 15th to be delivered and installed by the end of the year.

Calum reported that he is talking to Scottish Investment Bank about releasing part of their loan ahead of financial close to enable this deposit to be paid. The deposit for the turbines also needs to be paid before the middle of April and so Calum is investigating where other funding can be obtained for that purpose ahead of financial close

One important bit of progress since the last Board meeting is the emergence of GDF Suez as providing the best price terms from the different companies (Statkkraft, npower, EDF, Scottish Water, Neas, SSE, Smartestenergy) that we have approached to purchase our power. Their contractual terms are now being looked at in detail by the Bank who will need to approve the contract before we can award it.

3. General Manager Report

The Board discussed the General Managers' report which had been distributed by email. DJ MacSween answered the questions arising.

4. AOB

Andrew Mackenzie pointed out that the Government Islands Energy Conference in Stornoway on the 24th had not involved any community energy groups. The Board agreed that this omission was deplorable.