



Dear Member,

January 31, 2011

The enclosed 1099-PATR includes patronage earnings allocated to you in Box 10 for the year ended September 30, 2010 and period ended December 31, 2010 including the cash and qualified written notice allocation portions. The notice previously provided to you allocating the short year 2010 allocation included an **estimate** of the total patronage earnings to be allocated. Subsequent to December 31, 2010, the final allocation has been determined which resulted in a lower qualified written notice of allocation amount. This adjusted amount has been included in your Box 1 1099-PATR allocation.

The enclosed 1099-DIV includes your share of the noncash liquidating distribution in Box 9 relating to the conversion of the cooperative to a limited liability company. This amount is the sales price that will determine your gain or loss on the effective "sale" of your cooperative shares against your tax basis which includes cash payments you paid for stock and any unpaid qualified written notices of allocation. The patron gain calculator included on our website is available in assisting you in calculating this gain or loss.

GTEC qualified as an eligible small producer of ethanol (less than 60 million) in 2010. This qualification is at both the GTEC level and the patron recipient level. GTEC has allocated a total of \$577,135 of the Small Ethanol Producer Tax Credit (SEPTC) (\$.10 per gallon up to 5,771,349 gallons or 1.88 gallons per corn bushels delivered) to the patrons in 2010. Your share of SEPTC has been reported to you on the attached 1099-PATR in Box 10. GTEC is also required to report your share of GTEC's total ethanol production capacity of 25,000,000 gallons for the year ended September 30, 2010 and period ended December 31, 2010 which equals your number of corn bushels delivered multiplied by 8.1309 gallons.

The SEPTC has been added to the cooperative taxable income for the year ended September 30, 2010 and period ended December 31, 2010. This tax credit add-back will increase your patronage dividend income when taxable income is allocated to the patron members. The SEPTC income is already included in the cooperative patronage earnings and will not have to be added to your income again when calculating your taxable income. Any unused SEPTC not utilized on your 2010 individual tax returns can be carried back one year and forward to December 31, 2014.

The above information is not a comprehensive list of tax considerations. Please consult your tax advisor for specific recommendations on how the tax reporting items will affect your tax situation.

Sincerley,  
Charles L. Hurst,  
President