

SPIRITWOOD ENERGY PARK ASSOCIATION, LLC

*Official Minutes
Meeting of the Members
January 19, 2015*

A meeting of the Members of Spiritwood Energy Park Association, LLC, a North Dakota limited liability company was held at the offices of Jamestown/Stutsman Development Corporation on January 19, 2015, pursuant to notice duly provided to all Members.

Bob Toso called the meeting to order at 9:30 a.m. (CST).

In attendance were Bob Toso and Kelly Rachel, Authorized Member Representative of Jamestown/Stutsman Development Corporation; Al Christianson and Greg Ridderbusch, Authorized Member Representatives of Great River Energy; Connie Ova, Business Manager, SEPA; Rich Garman, Senior Project Manager, SEPA; Sandra Broekema, Business Development, SEPA; Tracey Pringle, Bookkeeper, Kaitlin Dillard, JSDC Office Assistant; and Guests: Keith Norman, Jamestown Sun; Warren Abrahamson News Dakota; Joseph Larson, Esq. Larson Law Firm; Monica Hieb, FCCU; Bill Lytle, RTS Shearing; Casey Bradley, Stutsman County.

Previous Meeting Minutes:

Al Christianson moved to approve the minutes from 10-30-2014 as written, seconded by Kelly Rachel and motion passes unanimously

Al Christianson moved to approve the minutes from 12-22-2014 as written, seconded by Kelly Rachel and motion passes unanimously

Construction Project Status:

Rich Garman gave an update on the rail project and reviewed the project schedule.

- SEPA Rail Loop – Project Close Out: Rich informed the Board that the SEPA rail loop is almost completed with a few minor things to be welded and finished in the DSA unloading building. Spring projects included seeding and going around the track to make sure everything is set and even.
- Stutsman County Road Improvements: Rich said that signage needs to be put up on the roads; which means proper signs in the proper location. Permeant markings in spring will need to be put up. The driveway into SEPA needs to be completed and that will happen this spring as well.
- Dakota Spirit AgEnergy: Greg Ridderbusch gave an update and informed the Board that everything for the facility is on-time and schedule. Startup looks like it should be in late April and production in May.

- Wetland Mitigation Plans – Rich explained that excavations have been done to accommodate this. This spring or summer there will be laying down of hydrophilic soils which is seeding the soils in the wetlands. This will be an ongoing process over the next few years just to make sure it growing.
- BNSF Switches – Greg informed the Board that by April 1, the East bound manual switch will be installed. Installation is somewhat weather dependent but should occur in mid-March. Some adjustments may have to be made on the West bound switch but we will know that at a later date. West bound is a heated automated switch that should be installed late 2015. There are now bi-weekly meetings with BNSF to monitor the status of the switches.

Financial Update

Sandra Broekema provided a financial update. She informed the group about various items on the Balance Sheet as well as the Profit and Loss Sheet. Now that the financials are closed out for last year we will get Schauer and Associates the information they need to conduct the audit that we approved in October.

Al Christianson moved to approve the Account Status Report as presented, seconded by Kelly Rachel and motion passes unanimously.

NEW BUSINESS:

Connie gave provided the Board with information on Resolution 2015 – 1. She also informed the group of various funding options for BNSF Heated & Automated Mainline Switch for SEPA which were provided in the dropbox. She listed the options, constraints, and her recommendation. Connie's recommendation was raising new equity due to timing and overall cost effectiveness.

There are two approaches for securing the \$970,000 in new equity:

- One approach is for JSDC to use existing capital funds now in order to meet the March 31st deadline. Additional cash equity from JSDC would increase its ownership and future return on equity payments proportionally.
- A second approach is for JSDC to leverage its land parcel to the south of SEPA to secure a new loan for all or part of the money required and invest it in SEPA for the incremental equity share. The new loan principal & interest payments could be made out of JSDC's normal operating budget, without jeopardizing existing tenants or diluting its ownership shares.

Casey Bradley was in attendance and informed the group that there may be a possibility for \$500,000 loan with Stutsman County. He said that this did not go through the Boards and this is just a possibility, at this time, for JSDC to consider. The standards for the loan would have to be discussed and the format would need to be negotiated. Nothing has been discussed with the City and County but Casey said if

there is interest this can be brought there. Connie, Kelly, and Bob agreed that there is interest and asked Casey to bring it to City and County; so it can be brought to the Executive Meeting on March 26, 2015.

Kelly Rachel moved to approve \$970,000 dollars of additional equity to JSDC which is the Resolution 2015-1 to JSDC, seconded by Al Christianson. Roll Call: Greg: aye, Al: aye, Kelly: aye, Bob: aye. Motion passes unanimously.

Discussion: Bob wanted to make it known that this is now a JSDC issue, and not SEPA, for finding the funds.

2015 Crop Lease

Rich Garman gave an update on the 2015 Crop Lease. Joe Larson and Rich have met to discuss this matter and they will be working out everything and this should be ready in the next couple of weeks. The rate is \$100 dollars an acre and there is roughly 400 acres. An auction is done for this land and it usually done on a three year lease.

Tenant prospect updates

Connie Ova gave an update on tenant prospects. She informed the Board, at this time, there is nothing new to report.

Motion to adjourn at 9:55 a.m. (CST) by Al Christianson and seconded by Kelly Rachel.

Respectfully submitted by,
Kaitlin Dillard: JSDC Office Assistant