

SPIRITWOOD ENERGY PARK ASSOCIATION, LLC

*Minutes
Meeting of the Members
September 23, 2014*

A meeting of the Members of Spiritwood Energy Park Association, a North Dakota limited liability company was held at the offices of Jamestown/Stutsman Development Corporation on September 23, 2014, pursuant to notice duly provided to all Members.

Gary Riffe called the meeting to order at 8:31 a.m. (CST).

In attendance were Gary Riffe and Chris Rathjen, Authorized Member Representative of Jamestown/Stutsman Development Corporation; Al Christianson and Greg Ridderbusch, Authorized Member Representatives of Great River Energy; Sandra Broekema, Business Development, SEPA; Rich Garman, Senior Project Manager, SEPA; Connie Ova, Business Manager, SEPA; Joseph Larson, Esq., Tracey Pringle, Secretarial Solutions and Guests: Chris Olson, Jamestown Sun

Rail construction project status:

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

SEPA rail loop is almost complete. North East corner between our rail and BNSF pad is all that remains. The SEPA rail should be completed by late October.

Road pavement started on September 23rd and completion date is aimed for late October.

DSA update: On schedule

Financial Review:

Tracey Pringle distributed a packet including the SEPA 8/31/2014 Balance Sheet and Profit and Loss Statement, and Bank Statement indicating that assets and expenses are on budget.

Sandra Broekema noted that we owe Dakota Spirit AgEnergy an annual budget forecast each November for the following year and distributed an updated 2015 SEPA Budget Forecast:

1. Stutsman County road assessment increased from \$150,000 to \$256,000 first year due to value of the road and higher interest rate.
2. Value of SEPA property increased from \$7.5 million to \$8.5 million which increased the SEPA common property tax forecast.
3. Depreciation charges increased due to the ECO's for additional rail.
4. We have forecasted permanent (conventional) financing for a large portion of the NDDOT construction bridge loan. ND DOT terms have 24 month deferral on principal, although interest does accrue. First draw was in July of 2014 and the first interest and principal payment will be due in July of 2016. The ND DOT loan is an 8 year Amortization loan with high principal

payments. SEPA is planning permanent financing with First Community Credit Union which will spread the principal payments over 15 years, improving cash flow for SEPA and DSA.

Annual budget forecast ranges from \$967,000 to \$1.3 million. Member Approval is hereby requested so we can provide this data to DSA to build into their budget forecast.

Greg Ridderbusch moved to approve the budget forecast and provide to DSA, seconded by Chris Rathjen Roll Call: Greg: aye, Al: aye, Chris: aye, Gary: aye. Motion passes unanimously

Sandra Broekema indicated that the entire \$740,000 draw on the RedLg loan occurred in July of 2014, making the first principal repayment due in July of 2015, at which time DSA will be operating and making payments to SEPA (to cover these payments). Sandra also requested that Connie Ova be given account access at First Community Credit Union and Tracey Pringle view only access to facilitate real time management of the organization. This will be the subject of a new business Resolution 2014 – 10 to follow.

Al Christianson moved to approve the financial report, seconded by Greg Ridderbusch, and motion passes unanimously.

New Business:

Rich Garman presented the Amendment to ND DOT Contract NO 17131136 which sets the initial interest rate on DOT loan at 1.625%. A formal repayment schedule will be issued by ND DOT as soon as last draw is complete (December/January timeframe).

Al moved to approve Amendment to ND DOT, seconded by Chris. Roll Call: Greg: aye, Al: aye, Chris: aye, Gary: aye. Motion passes unanimously

Sandra Broekema presented a motion to renumber “Resolution No. 2014-6 Approval for ECO No 2 Extend Rail Bed Across DSA Site” to “Resolution 2014-8 Approval for ECO No 2 Extend Rail Bed Across DSA Site” to clear up a duplicate resolution numbering error.

Greg moved to approve renumber as indicated, seconded by Chris and motion passes unanimously.

Joe Larson presented “Resolution No. 2014-9: Ratify WBI Easement”. The WBI Easement for natural gas service to Dakota Spirit AgEnergy was required before this meeting’s date and had been executed in SEPA best interest via a special Member vote between meetings. This resolution formally ratified the actions already taken.

Greg moved to approve Resolution No. 2014-9 as written, seconded by Chris. Roll Call: Greg: aye, Al: aye, Chris: aye, Gary: aye. Motion passes unanimously.

Sandra Broekema presented “Resolution 2014-10: Expansion of duties for SEPA Business Manager” providing background information on the difficulty of obtaining realtime advice on deposits and cleared checks since only President of SEPA is authorized to access or inquire about SEPA Checking Account. This resolution provides for the expansion of duties of Connie Ova from Business Manager to Chief Operating Officer, including official access to account information and signature authority up to \$500,000 on member approved expenses. First Community Credit Union to be notified of the change.

Greg moves to approve resolution read by Sandra, seconded by Al. Roll Call: Greg: aye, Al: aye, Chris: aye, Gary: aye. Motion passes unanimously.

Connie Ova provided a summary of recent prospect activity including an international company (referred by ND Dept of Commerce) with interest in biomass pulping. They were initially interested in buying property and SEPA is still in the running. The decision timeframe is still open. Aggregate Industry has not come back to follow up on a temporary concrete batch plant site.

Dakota Spirit AgEnergy update - Connie Ova handed Al Christianson a check for DSA in the amount of \$343,000 for new job training funds. Al Christianson will deliver the check to DSA. Money has been approved and initial request is for 5 employees. JSDC gets the W-4's to begin the process.

JSDC board of directors took first step in allocating 30-40 acres of land south of SEPA for a crew camp. CHS would want and need to manage crew camp, guided by the crew camp ordinance which is very strict. Not close to being finalized. We have some concerns about increased traffic.

SEPA Rail Completion Celebration- Connie Ova recommended that planning begin for an “open house” or ribbon cutting celebration to recognize this milestone, perhaps we can have a “Spike Driving Ceremony”. Tentative date would be late October. Connie and Rich will work on program and refreshments.

Greg Ridderbusch provided a brief update on Spiritwood Station, which is on schedule for November 1 commercial operation.

Motion to adjourn at 9:16 a.m. (CST) by Al, seconded by Greg.

Respectfully submitted by,
Samantha Deyle: Administrative Assistant for Great River Energy

Attachments
SEPA Budget Forecast
SEPA with Expansion Refinancing