

SPIRITWOOD ENERGY PARK ASSOCIATION, LLC

*Official Minutes
Special Meeting of the Members
February 6, 2015*

A special 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 February 6, 2015, pursuant to notice duly provided to all Members.

Kelly Rachel called the meeting to order at 10:00 a.m. (CST).

In attendance were 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; Beth Blumhardt, JSDC Administrative Assistant, and Guests: Keith Norman, Jamestown Sun; Joseph Larson, Esq. Larson Law Firm; Casey Bradley; Stutsman County, JSDC Board Members: Dale Marks, Katie Andersen, Eric Tuchscher, Ramone Gumke, Bill Lytle, Chris Rathjen, Gary Riffe, Mark Klose.

Previous Meeting Minutes:

Al Christianson moved to approve the minutes from 1-19-2015 as written, seconded by Greg Ridderbusch and motion passes unanimously

Funding of BNSF Switch:

Greg Ridderbusch reviewed the SEPA project timeline dating back to 2011 for the benefit of the new SEPA Board representatives from JSDC. The original SEPA business model was based on leveraging world-class transportation and energy infrastructure to create shared benefits to facilitate Economic Development with multiple tenants around the Spiritwood site. The “not-for-profit” pass-through business model reflected cost savings and shared benefits for future tenants. Contributions of land and cash were approved by Great River Energy, JSDC Board, the City Council, and Stutsman County in late 2011. In July 2012, the SEPA Board minutes include an approved term sheet that established the economics of the lease agreement. The pro forma financials reflected a 5% return on equity in place after there were two tenants up and running. For any business plan you have pro-forma financials and adjustments are made as things progress. Additional rail had to be built and other items came up. DSA agreed to pay all of the out-of-pocket expenses for SEPA, as long as they would not pay more than if they had completed the investments internally and become the anchor tenant. Without an anchor tenant, there would be no SEPA, LLC. For this reason, the SEPA Board decided to defer ROE dividends until the multiple tenant mission of SEPA was realized. With two tenants sharing the costs, there would be a more than adequate cash flow to fund the dividends to both owners, at lower cost than any one tenant

could do by themselves. It wasn't until a year later the Board codified the lease agreement to DSA in July of 2013. Today, the lease agreement with DSA economics are keyed to the budget proposed by SEPA. The agreement says DSA will pay all of the costs such as taxes, special assessments for roads, etc. while SEPA is seeking to develop a second tenant. According to the lease with DSA, when that second tenant is secured, lease payments will include net income that would go to pay equity returns.

Selection of Spokesperson for JSDC

Joe Larson explained that preceding the SEPA Board meeting there will be a JSDC Board of Directors meeting. For this reason, the SEPA Board should select members or staff spokespeople to delegate to make a presentation to JSDC and to answer any questions during this meeting.

Kelly Rachel made a motion to have Greg Ridderbusch and Sandra Broekema represent Spiritwood Energy Park Association at the Jamestown Stutsman Development Corporation Board of Directors special meeting on February 6, 2015.

Discussion: Greg states that Connie Ova should also represent SEPA.

Kelly Rachel modified his motion to have Greg Ridderbusch, Sandra Broekema, and Connie Ova to represent Spiritwood Energy Park Association at the Jamestown Stutsman Development Corporation Board of Directors special meeting on February 6, 2015, seconded by Greg Ridderbusch and the motion passes unanimously.

Resolution 2015-2

Sandra Broekema presented Resolution 2015 - 2 which is confirming a delay of Industry Track In-Service Date from March 1, 2015, which it is currently, until the BNSF switch is operational. In the Site Lease and IAUM agreement there is a provision to redefine the Industry Track In-Service Date as March 1, 2015 "or such later date that is acceptable to SEPA and all the then existing Occupants, as established in writing". It is likely that the BNSF switch will not be operational by March 1st; therefore, it would be in DSA's and SEPA's best interest to push out the Industry Track In-Service Date out until the track is operational. DSA cannot operate until the rail loop is connected onto the mainline. The agreement states or other such later date as agreed upon by SEPA and DSA, and the monthly rent payments do not start until Industry Track In-Service Date. The date should be changed from March 1st, what the lease says, until April 1st when the switch should be operational. Greg informs the Board that BNSF target is to have the manual switch operational by March 31st and with that they are seeking payments for the remainder of the automated switch. Once the manual switch is in, the rail loop at SEPA is no longer land locked. DSA has immediate utilization and will start payments. Kelly Rachel asked if it would be more correct to say in this resolution until the BNSF manual switch is operational and the Board agreed.

Al Christianson moved to approved Resolution 2015 - 2 "Confirming delay of Industry Track In-Service Date from March 1, 2015 until the BNSF manual switch is operational", seconded by Greg Ridderbusch and the motion passes unanimously.

Motion to adjourn at 10:16 a.m. (CST) by Al Christianson and seconded by Greg Ridderbusch.

Tape recorder stopped 10:16 a.m.

Respectfully submitted by,
Kaitlin Dillard: JSDC Office Assistant