

SPIRITWOOD ENERGY PARK ASSOCIATION, LLC

*Minutes
Meeting of the Members
June 27, 2014*

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 June 27, 2014, pursuant to notice duly provided to all Members.

Gary Riffe called the meeting to order at 8:33 a.m. (CST).

In attendance were Gary Riffe, 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; Sandra Broekema, Business Development, SEPA; Rich Garman, Senior Project Manager, SEPA; Joseph Larson, Esq. Larson Law Firm, DeAnn Brunner, JSDC Business Development, Theresa Heier, JSDC Intern, Tracey Pringle, Secretarial Solutions and Guests: Keith Norman, Jamestown Sun, David Hovda and Eldo Beilke, Aggregate Industries.

Absent from the meeting was Chris Rathjen, Authorized Member Representative of Jamestown/Stutsman Development Corporation.

Financial Review:

Sandra Broekema provided the Financial Statements for Fiscal Year ending 12/31/2013 including the Balance Sheet and Profit & Loss. Schauer & Associates electronically filed the Partnership federal income tax returns on June 22, 2014 and will be sending Taxpayer Copies to LLC members JSDC and GRE shortly.

Sandra then provided year to date 2014 budget for sources and uses of funding along with a Project Budget.. Sandra also provided Financial Statements for 1Q2014 and YTD 6/23/2014. Tracey Pringle of Secretarial Solutions has been retained to do the bookkeeping for SEPA and Schauer & Associates CPA will be doing the yearly tax and accounting reviews. Dakota Spirit AgEnergy (DSA) will be invoiced for their \$300,000 contribution in aid to construction. Tracey will send out the invoice addressed to Michael Grosz, CFO. The financial process going forward will be presented quarterly and formally reviewed on an annual basis.

Loan Agreements: Larson Law Firm has drafted the legal opinion required for the USDA REDLG loan, pending the date for the Promissory Note. First Community Credit Union (FCCU) will prepare the Letter of Credit as soon as SEPA is ready to receive it. The ND DOT loan agreement is ready to execute and draw with July invoices.

Stutsman County special assessment district: Sandra Broekema provided a copy of the final Stutsman County Highway Improvement Bond schedule, the first annual payment of \$256,477.50 will be due February 2016.

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

Rail construction project status:

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

We are currently waiting for AT&T to relocate its shallow cable in the BNSF Right of Way (ROW) to a deeper location on the north side of the mainline to avoid construction interference with SEPA rail bed. The SRWD water supply lines are under construction. Road improvements are underway on 93rd Avenue SE and 35th Street, and are expected to be completed by October 2014.

Rich briefly reviewed the Engineer Change Orders (ECO) that will need board approval.

- Approval to extend the rail bed across DSA site.
- Relocate Bad Order and Set Out tracks per BNSF requirement.

New Business:

Resolution No. 2014-6: Approval for Engineering Change Order No. 2: to extend rail bed across DSA site with an estimated cost of \$224,825.57 based on the original contract pricing in accordance with engineering estimate. This additional expense will be paid by SEPA tenants over time under the formula set forth in the Infrastructure Access, Use and Maintenance (IAUM) Agreement.

Al moved to accept Engineering Change Order No. 2 Resolution 2014-6, seconded by Greg. Roll Call: Al: aye, Greg: aye, Gary: aye. Motion passes unanimously.

Resolution No. 2014-7: Approval for Engineering Change Order No. 3: to relocate Bad Order & Set Out track per BNSF requirements. The cost for the additional scope of work is \$348,378.29. SEPA will need to increase the current project budget from \$9.9 million to \$10.25 million in order to cover this additional expense. SEPA does have a commitment letter for FCCU to loan up to \$1.9 million and SEPA tenants will pay for this additional expense over time under the formula set forth in the Infrastructure Access, Use and Maintenance (IAUM) Agreement.

Sandra handed out a revised budget for SEPA that shows the impact of Engineering Change Order No. 3. Rich Garman does not anticipate any more engineering change orders at this time.

Al moved to approve 2014-7 Engineering Change Order No. 3, seconded by Greg. Roll Call: Greg: aye, Al: aye, Gary: aye. Motion passes unanimously.

Joe Larson reported that the correction on the deed error that was discovered on Auditor's Lot 21-2a was filed today.

Tenant prospect updates:

Aggregate Industries would like 2-3 acres for a concrete batch plant to temporarily lease.

Motion to recess at 9:53 a.m. (CST) by Al.

Motion to reconvene by Al Christianson at 10:13a.m. (CST)

Tenant prospect updates continue:

David Hovda and Eldo Beilke entered the room at 10:15 a.m. (CST)

Eldo Beilke provided information to SEPA regarding what they are looking for in a potential site for a temporary concrete batch plant. The plant would need 2-3 acres with 8-10 trucks out at the site per day. Timing would be August or September of 2014. SEPA board instructed SEPA staff to set up a meeting with Cargill regarding any potential dust concerns. Aggregate Industries was asked to put together a proposal for the site to present to the SEPA board.

Minutes:

Greg moved to approve the minutes from 5-12-14 and 4-10-14 as written, seconded by Al and motion passes unanimously.

Motion to adjourn at 10:30 a.m. (CST) by Al, seconded by Greg.

Respectfully submitted by,
DeAnn Brunner: JSDC Business Development Coordinator

Attachments
Resolution 2014-6
Resolution 2014-7