

Sargent County Development Authority

Minutes

Date of Meeting: 9-18-07

Time: 7:30 am

Location of Meeting: SC Courthouse Conference Room

PRESENT: Ron Narum; Dan Delahoyde, Jerry Erickson, Sandra Hanson, Bill Anderson, Mike Walstead, Tracey Anderson-Lake Agassiz

Meeting Called to Order: Ron Narum

Minutes of Last Meeting Presented: Jerry/Mike to approve minutes as read. Motion Carried unanimously

Treasurer's Report: Balance remaining in budget-\$54,740.00. question asked regarding 960.00 expense. Commission used SCJDA dollars to pay County commission share of the membership fee to the Red River Basin. With no further questions Bill/Jerry to approve the treasurer report as written. Motion carried unanimously.

Committee Reports: None at this time

OLD BUSINESS

Wind Energy- Review of the most current agreement draft between Oakes Enhancement Inc. and SC JDA. Reviewed items 4-5-8 regarding share of financial responsibility between the two groups and the SC JDA from this point forward. Bill/Dan to approve the execution of the agreement with the Oakes Enhancement Inc. as agreement is written. Chr Ron Narum will sign agreement representing the SC JDA. Motion Carried unanimously.

Logger-Charlie Kramear submitted a bill for the replacement of a symphonie logger at the test site in Jackson Twp. The bill comes to the amount of \$1,583.70. Further questions regarding the time and type of damage. Insurance coverage on item, and if this is the total or just SCJDA share? Charlie indicated that OEI is willing to pay for ½ of the cost of the logger. Will review after further information is gathered.

NEW BUSINESS

Dakota Micro-Image: Tracey Anderson representing Lake Agassiz is working with Dakota Micro on a loan/Block Grant for further expansion of their current business near Geneseo. Lake Agassiz is looking at a total grant of \$250,000.00. \$100,000.00 is for county road improvement and will be handled directly with Lake Agassiz and the County. \$150,000.00 of the grant will be for Business needs. At this time Dakota Micro is adding an addition to the current building with funding arrangements made by Lincoln State Bank. Bank of ND and ND Development Fund are assisting with portions of the overall project as well. Proposed additional financing as follows: Sargent County will sponsor and receive \$150,000.00 grant/loan from ND Division of Community Services. Sargent county will make a \$50,000.00 direct loan to Dakota Micro, Inc. Dakota Micro will repay Sargent county according to loan schedule. SC will repay ND Div. of Community Services according to loan schedule. Sargent County will make a \$100,000.00 loan to SC JDA. SCJDA will purchase a yet to be determined number of preferred stock. Dakota Micro will begin redeeming the stock from SCJDA in about a 3-5 yr time period from date of purchase through a prearranged redemption plan. The first 2-3 yrs will be set up as dividend accrual period. During redemption period SCJDA will repay SC who will inturn repay NDDCS according to the loan schedule. If all goes as planned no risk or financial obligation to county or SCJDA. If things do not go well, through the legal process there would be no longterm repayment obligation

to the county for the entire \$150,000.00 loan, but County/JDA could acquire legal fees and processing fees through bankruptcy. The SC States Attorney has to render opinions on all documentation. Bookwork can be handled two ways. Through the county and county retains 50% of the interest or through Lake Agassiz and LA retains 100% of the interest and paperwork responsibility. County can determine. There are no voting rights on preferred stock.

Jerry/Mike to approve the proposed project submitted by Lake Agassiz and Dakota Micro; and that SCJDA will be the purchaser of preferred equity through the ND Community Block Grant Funds through ND Division of Community Services. With no further discussion chr called for a vote. Motion Carried Unanimously.

SCJDA Vacancy-Roger Bopp was on the board representing the SC Twp Officers Association. He no longer is a twp officer and has resigned his chair. It has been brought to the attention of the SCTOA to place this topic on their fall agenda for appointment. Roger's Term ends on December 31, 2008.

For the Good of the order-Jerry reported that Beckstroms have been working on a proposal to further expand their tire recycling facility located on the west side of Gwinner. They are considering a tire processing plant and could look at additional employment of about 20 people. Beckstroms have made contact with Tracey Anderson at Lake Agassiz this spring regarding this thought.

With no further business Ron called for a motion to adjourn; Bill/Mike moved. Motion carried.

Recording secretary,
Sandra Hanson