

SPIRITWOOD ENERGY PARK ASSOCIATION, LLC

*Official Minutes
Meeting of the Members
December 22, 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 December 22, 2014, pursuant to notice duly provided to all Members.

Gary called the meeting to order at 9:00 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; Connie Ova, Business Manager, SEPA; Rich Garman, Senior Project Manager, SEPA; Holly Miller, JSDC Vice President of Economic Development, Theresa Heier, JSDC Intern; and Guests: Keith Norman, Jamestown Sun; Joseph Larson, Esq. Larson Law Firm; Kelly Rachel, and Robert Toso.

Chris entered the meeting at 9:05 a.m.

Elections of Officers

Ballots were handed out at the Board of Directors meeting on December 8, 2014. Kelly Rachel was voted onto the JSDC Committee as the Secretary. For this reason, Chris Rathjen will move from the Secretary position into the Vice President position. Robert Toso will move from the Vice President position into the President position replacing Gary Rife. Robert Toso and Kelly Rachel will become the Authorized Member Representative of Jamestown/Stutsman Development Corporation because of their new positions for the JSDC for SEPA.

BNSF Switch Discussion:

Greg Ridderbusch provided an update on SEPA Rail Loop and electronic switch costs. Greg explained that roughly two years ago, BNSF and SEPA had a contract for approximately \$500,000 for two manual switches. The rail loop is ready to be connected to the mainline and BNSF was notified. Within the two years it took to complete the rail loop the rail situation in North Dakota had changed. North Dakota rail lines are now very congested and usage on the lines has increased. BNSF informed SEPA that a higher capability switch needs to be put in place and this is called a "SmartSwitch". The cost of the SmartSwitch costs \$1.5 million dollars. A group went to Fort Worth, Texas to visit with BNSF headquarters. The Regional Rail Planners from BNSF said automating the track in North Dakota is a must for the shipment needs.

The SEPA Board will need to resolve where the money for the SmartSwitch will come from. Right now the down payment of \$500,000 dollars has been paid. Greg also mentioned that in DSA's contract it states SEPA will provide rail loop.

Al Christianson informed the Board that the \$1,000,000 dollars needs to be given to BNSF by March 31 or there will be no rail service. The down payment is enough for the manual switch to be installed and operational by March; which means DSA would be able to get serviced. The automated switch will be installed at a later date in 2015. Potential funding ideas for the \$970,000 dollars are not far enough along to be brought to the Board at this time.

Gary Riffe asked if there will be a split of 60/40 between JSDC and DSA for the remaining amount. Chris Rathjen states that it seems as though that Al and Greg are suggesting that JSDC funds the amount of money remaining for the SmartSwitch.

Greg Ridderbusch suggested to the Board to task Connie Ova with coming up with various options and ideas on where the money should come from. Timing can be critical and the window for finding funds is very short. Gary states that Special Meetings are going to be needed to make sure this can get taken care of in time.

Motion to adjourn at 9:23 a.m. (CST) by Al Christianson and seconded by Chris Rathjen.

Respectfully submitted by,
Kaitlin Dillard: JSDC Office Assistant