

SPIRITWOOD ENERGY PARK ASSOCIATION, LLC

Minutes
Special Meeting of the Members
April 27th, 2015

A special meeting of the members of the Spiritwood Energy Park Association, LLC, a North Dakota limited liability company was held at the offices of Jamestown/Stutsman Development Corporation on April 27, 2015, pursuant to notice duly provided to all members.

SEPA President, Bob Toso called the meeting to order at 11:04 a.m. (CST).

In attendance were Bob Toso and Kelly Rachel Authorized Member Representatives of Jamestown/Stutsman Development Corporation; Greg Ridderbusch (via phone), Authorized Member Representative of Great River Energy; Connie Ova, Chief Operations Officer, SEPA; Rich Garman, Senior Project Manager, SEPA; Sandra Broekema, Business Development, SEPA; Tracey Pringle, Bookkeeper; Beth Blumhardt, JSDC Administrative Assistant; Kaitlin Dillard, JSDC Office Assistant; and Guests: Keith Norman, Jamestown Sun; Joseph Larson, Esq. Larson Law Firm.

Previous Meeting Minutes:

Kelly Rachel moved to approve the minutes from April 14, 2015 as written, Greg Ridderbusch seconded by and motion passes unanimously

NEW BUSINESS:

Linda Mohn from Schauer and Associates was in attendance and briefly went over the SEPA 2014 draft audit.

Linda began the review by going over the Balance Sheet.

Greg asked Linda to comment how the road improvements are accounted for on the balance sheet. Linda noted that normally they wouldn't capitalize the road because it is owned by the county. SEPA has a long term obligation to pay (liability) so we have created a depreciating asset account to offset this liability. We've capitalized SEPA's 60% share of special assessment for the Stutsman County road improvement to match the \$4,257,000 liability and that is going to be written off over the life of the road. Linda asked Greg if that answered his question. Greg responded "so it's required we do that. Then is there going to be an income impact over time if the depreciation does not match the payment schedule, what can we expect to see?" Linda commented "The asset is going to be written off straight line over the life of that road, estimated to be about 30 years". Greg noted "then on the asset side we would be writing down the asset as we are making payments to the county". Linda responded that we would be writing off the asset evenly over the 30 years; Linda commented that she believes the payment schedule

to the county is not even as far as the payments are concerned, thinking around \$120,000 for the first year.”

Linda continued to review the Balance Sheet of the SEPA draft audit with the SEPA Board. Linda inquired if there were any further questions on the balance sheet, the Board did not have any further inquiries.

Linda then reviewed the Statement of Income, including the statement of changes and owners’ equity, statement of cash flows, cash activity, etc.

Greg Ridderbush moved to approve the draft audit report pending a more complete review by Sandra Broekema, seconded by Kelly Rachel. Roll Call: Greg: aye, Al: aye, Kelly: aye, Bob: aye. Motion passes unanimously.

Motion to adjourn at 11:19 a.m. (CST) by Al Christianson and seconded by Greg Ridderbusch.

Tape recorder stopped at 11:19 a.m.

Respectfully submitted by,
Beth Blumhardt: JSDC Administrative Assistant