



Public Service Commission

State of North Dakota

COMMISSIONERS

Susan E. Wefald, President
Kevin Cramer
Tony Clark

Executive Director
Illona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
web: www.nd.gov/psc
e-mail: ndpsc@nd.gov
TTY 800-366-6888 or 711
Fax 701-328-2410
Phone 701-328-2400

June 24, 2008

Ron St. Hilaire, General Manager
Sky Can Ltd.
PO 752
Cando, ND 58324


RE: Grain Warehouse License

Dear Ron:

Enclosed is your North Dakota Grain Storage Warehouse License and relevant documents. Your license and each of the colored posters must be displayed at your facility in an area easily visible by patrons.

Your cooperation is appreciated. Thank you and if you have any questions, please call me at 701-328-4097.

Sincerely,

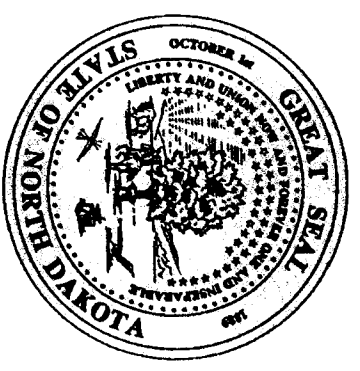

Susan K. Richter, Director
Licensing Division

Enclosures

cc: Cameron or Darren

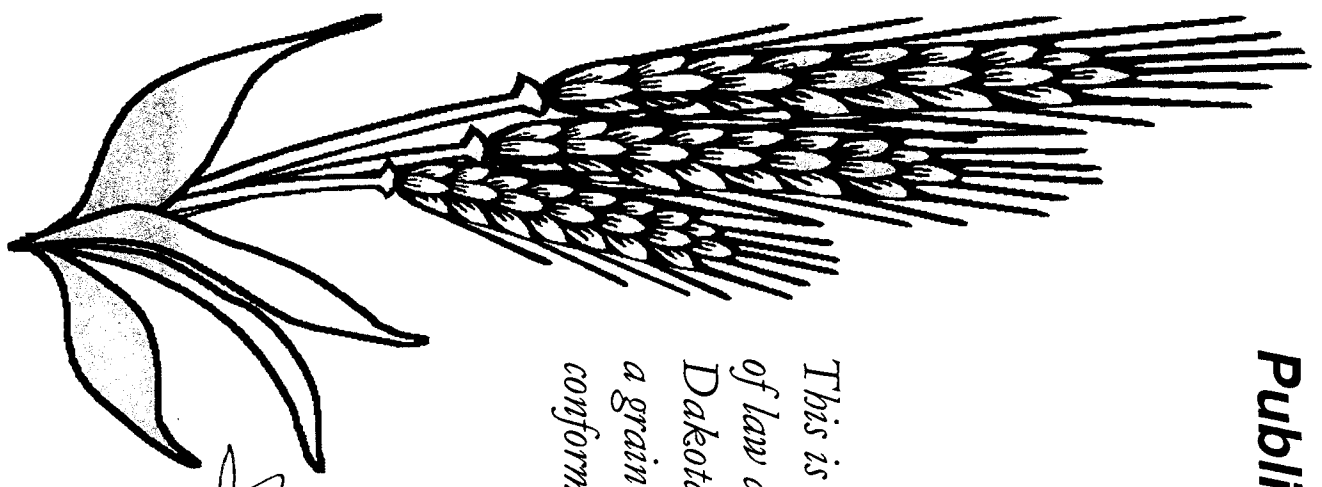
**State of North Dakota
Public Service Commission**

License # 1197



This is to certify that Sky Can, Ltd. has met the requirements of law and is hereby licensed and authorized by the North Dakota Public Service Commission to carry on the business of a grain storage warehouse at Cando, North Dakota, in conformity with the laws of the State of North Dakota.

Effective June 9, 2008



Sharon A. Hoffmann
Executive Director

Tommy Clark
Commissioner

CREDIT-SALE CONTRACTS

**IN CASE OF BUYER INSOLVENCY,
THE BOND OF THIS WAREHOUSE DOES NOT
PROTECT PERSONS ENTERING INTO DELAYED
PRICE, DEFERRED PAYMENT, OR OTHER
CREDIT-SALE CONTRACTS. HOWEVER, THERE
IS LIMITED COVERAGE AVAILABLE THROUGH
AN INDEMNITY FUND FOR CONTRACTS
EXECUTED AFTER AUGUST 1, 2003.**

CREDIT-SALE CONTRACT INDEMNITY FUND Collections Suspended as of July 1, 2008

A North Dakota Credit-Sale Contract Indemnity Fund was established by the 2003 Legislature to pay grain sellers for credit-sale contract losses that may be incurred as a result of buyer insolvency. Persons making claims against the fund are eligible to receive 80% payment of the amount owed, not to exceed \$280,000 per insolvency.

Since August 2, 2003, all grain sellers have been charged a two-tenths of one percent (0.002) assessment on all credit-sale contract grain sold in North Dakota. State law made participation mandatory. The Credit-Sale Contract Indemnity Fund has reached the \$6 million mandated cap and as of July 1, 2008, credit-sale contract assessments are suspended.

State law defines a credit-sale contract as “a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale.” Common types of credit-sale contracts used are Deferred Payment, No Price Established, Installment Sales, Minimum Price, Basis Fixed, etc.

If you have any questions regarding the credit-sale contract indemnity fund, you may visit the Public Service Commission's website at www.psc.state.nd.us or call our office at 701-328-4097.

Revised July 2008

PROCEDURE FOR RESOLVING GRAIN GRADE DISPUTES

NDCC §§ 60-02-05 & 60-02.1-05. Grain marketing – Procedure for resolving disputes.

1. If any dispute or disagreement arises between the person receiving and the person delivering grain at any public warehouse in this state as to the proper grade, dockage, vomitoxin level, moisture content, or protein content of any grain, an average sample of at least three pints of the grain in dispute may be taken together by both parties interested. The sample must be certified by each party as a true and representative sample of the grain in dispute on the day the grain was delivered. The sample must be forwarded in a suitable container by parcel post or express, prepaid with the name and address of both parties for inspection by a federal licensed inspector, or a mutually agreed upon third party, who will examine the grain and adjudge what grade, dockage, vomitoxin level, moisture content, or protein content the sample of grain is entitled to under the inspection rules and grades adopted by the secretary of agriculture of the United States. The person requesting the inspection service shall pay for the inspection. If the grain in question is damp, otherwise out of condition, or if moisture content is in dispute, the sample must be placed in an airtight container. Payment for the grain involved in the dispute must be made and accepted on the basis of the determination made by the federal licensed inspector or third party. However, all other quality factors may also be considered in determining the price of the grain. An appeal of the determination made by a third party other than a federal licensed inspector may be made to a federal licensed inspector.

An appeal of the determination made by a federal licensed inspector may be made as provided under the United States Grain Standards Act [Pub. L. 103-354; 108 Stat. 3237; 7 U.S.C. 79(c) and (d)] and under 7 CFR 800.125-800.140. A person not abiding by a final determination is liable for damage resulting from not abiding by the determination.

2. If any dispute or disagreement arises between the person delivering grain and the person receiving grain as to the determination of quality factors of grain purchased or delivered in the state for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States, an average sample of at least three pints of the grain in dispute may be taken together by the parties interested. The sample must be certified by each party as a true and representative sample of the grain in dispute on the day the grain was delivered. If the grain is damp or otherwise out of condition, the sample must be placed in an airtight container. The sample must be forwarded in a suitable container by parcel post or express, prepaid with the name and address of both parties, for inspection by a federal licensed inspector, or a mutually agreed upon third party, who may examine the grain and determine the quality factors in dispute. The person requesting the inspection service shall pay for the inspection. The determination made by the inspector, or the third party, must be used in the settlement of the dispute.

Officially licensed inspection offices in North Dakota include.

Parent Office:

ND Grain Inspection Service, Inc., (Fargo)
2601 North University Drive
Fargo, ND 58102
Ph: (701) 293-7420
Fax: (701) 241-8818
E-mail: ndqi@graininspection.com
Web site: www.graininspection.com

Specified Service Points:

ND Grain Inspection Service, Inc., (Alton)
PO Box 100
(Street delivery: 200 Hwy 81 South, 58045)
Hillsboro, ND 58045
Ph: (701) 636-5210
Fax: (701) 636-5210
Email: mike.adams@graininspection.com

ND Grain Inspection Service, Inc., (Taylor)
3645 ½ 98th Ave SW
Taylor, ND 58656
Ph: (701) 483-8126
Fax: (701) 483-8127
Email: mike.adams@graininspection.com

Parent Office:

Northern Plains Grain Inspection Ser., Inc., (Grand Forks)
PO Box 13217
(Street delivery: 1013 North 5th Street, 58203)
Grand Forks, ND 58208-3217
(701) 772-2414
Fax: (701) 746-7218
E-mail: paul@ndpjis.com
Web site: www.npjis.com

Parent Office:

Grain Inspection, Inc., (Jamestown)
PO Box 1652
(Street delivery: 314 2nd Ave. NW, 58401)
Jamestown, ND 58402
Ph: (701) 252-1290
Fax: (701) 252-1298
Email: grain@csicable.net

ND Grain Inspection Service, Inc., (Enderlin)
PO Box 123
(Street delivery: 309 2nd Avenue, 58027)
Enderlin, ND 58027
Ph: (701) 437-3000 ext. 202
Fax: (71) 437-2923
Email: LorriG@graininspection.com

Specified Service Point:

Northern Plains Grain Inspection Service, Inc., (Devils Lake)
210 5th Street
Devils Lake, ND 58301
Ph: (701) 662-1801
Fax: (701) 662-8081
Email: paul@ndpjis.com

Parent Office:

Minot Grain Inspection, Inc., (Minot)
PO Box B
(Street delivery: 1804 Valley Street, 58701)
Minot, ND 58702
Ph: (701) 838-1734
Fax: (701) 838-3782
Email: mtgrins@str.com

ND Grain Inspection Service, Inc., (Ayr)
686 Main Street
Ayr, ND 58007
Ph: (701) 668-2214
Fax: (701) 668-2453
Email: ndqi@arthurcompanies.com

Call the Public Service Commission
Licensing Division at 701-328-4097
to request a copy of this procedure or
see our web site: www.psc.state.nd.us