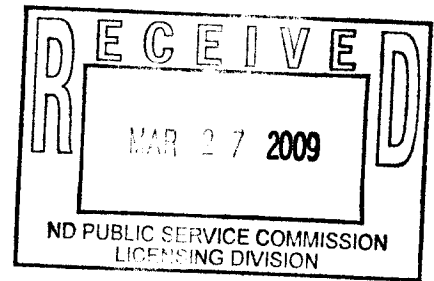


To North Dakota Public Service Commission,



I am writing to you regarding the Montola crushing plant owned by Sustainable Systems in Culbertson, Montana. I delivered my safflower to them last fall and have not received payment for it. I am enclosing a copy of the contract and settlement sheet showing how much they owe. My name is Myron Lee and I farm with my brother, Harvey Lee, and some of the safflower was on shares with my dad, Obert Lee. I also have a sunflower contract with them but have not delivered the sunflower crop to them. I will stand to lose a lot of money on them since I had them contracted for a much higher price than I can get for them now.

What they owe my family for the safflower is \$34,227.65. The shares work out to:

Myron Lee \$13,359.91

Harvey Lee \$13,359.91

Obert Lee \$7,507.83

Our sunflowers were contracted for .295 cents per pound and we have approximately 280,000 pounds which is worth \$82,600. If I have to sell them on the open market today, we would only get \$40,000 and I would have to pay trucking to Enderlin, ND, which is almost 400 miles from my farm rather than the 30 miles I had planned to haul them to Culbertson, MT.

I have received 5 letters in the last 3 months stating they were close to getting a loan and would pay soon. I just talked to Paul Miller, the manager, on the phone and he now says that he will know on Friday March 27<sup>th</sup>. He says if the bank will give them the loan we will get paid and if they are turned down this time they are done. I hope they get their loan and pay us in full, but if not, please do what you can to get our crops paid for.

Thank you for your consideration,

Myron Lee

15051 58<sup>th</sup> st. NW

Williston, ND 58801

Montola a division of Sustainable Systems, LLC  
 Box 478  
 Culbertson, MT 59218

Safflower Seed Settlement Sheet

MYRON & HARVEY LEE  
 15051 58TH ST NW  
 WILLISTON, ND 58801

Contract# 80034  
 Acres 175

Date	Ticket #	Gross Lb	FM%	FM Lbs	Moisture	Moisture Pounds	Net Lbs	Oil %	(Discount) Premium	2% of .28	Disc/LB	(Discount) Premium	Test Weight
9/26/2008	2723	33240	4	1330	7.0	0	31910	37.10	0.10	0.0056	0.00056	17.87	41
9/26/2008	2724	22620	4	905	6.1	0	21715	37.10	0.10	0.0056	0.00056	12.16	41
9/26/2008	2725	29900	3	897	5.9	0	29003	37.00	0.00	0.0056	0.00000	0.00	41
9/29/2008	2727	19060	3	572	5.7	0	18488	37.20	0.20	0.0056	0.00112	20.71	41
9/29/2008	2728	21760	3	653	5.9	0	21107	37.20	0.20	0.0056	0.00112	23.64	41

126580 4357 0 122223 74.38  
 0.28

122223 Net Pound 34,222.44  
 175 Acres Contracted 74.38 Oil (Discount)/Premium  
 698 Avg Pounds Per Acre (32.50) Lab Charges @ \$6.50 Each  
 (36.67) ND Check Off fee

37.11 Avg oil  
 -----  
 34,227.65  
 23,959.35 70% harvest payment  
 10,268.30 March 1st payment



**SUSTAINABLE SYSTEMS, LLC**

P.O. Box 478  
Culbertson, MT 59218

Tel: 406-787-6616  
Fax: 406-787-6362

Toll Free: 1-877-666-8652

**2008 HIGH OLEIC SUNFLOWER PRODUCTION CONTRACT**

Contract S815

Producer: MYRON & HARVEY LEE Acres: 300

Address: 15051 58<sup>TH</sup> ST NW City: WILLISTON

State: ND Zip: 58801 County: WILLIAMS

Social Security # or Tax ID: 501-56-9058 Phone # 701-875-4231

BUYER (Sustainable Systems, LLC) agrees to purchase PRODUCER'S entire high oleic (minimum 80% oleic) sunflower crop production from the contracted acres delivered to Montola's facility at Culbertson, MT 59218 basis pure, clean, sound, dry (10% moisture or less) high oleic sunflower seed meeting specifications outlined in this contract. Weight settlement shall be delivered basis. Pricing is to be established under the terms of pricing explained on the back of this contract. The terms and conditions stated herein constitute the entire agreement between BUYER and PRODUCER, and these terms and conditions can only be modified by a written document signed by the BUYER and PRODUCER.

Delivery Period- Delivery will be at Buyers call with anticipation to commence Jan 1, 2009. As storage becomes available, early delivery may be accepted with payment delayed to original delivery times.

Freight allowance: Field location 100 to 149 miles from plant \$.25/cwt. Field location more than 149 miles from plant \$.50/cwt. Freight will be based on net seed delivered.

Miles from Culbertson, MT:  100-149 miles  More than 149 miles

Name and address of any other person claiming an interest in ownership or security interest in producer's High Oleic Sunflower (see paragraph 4 on reverse side of this agreement)

Obert Lee

This contract is binding and constitutes an agreement when accepted and signed by a representative from Sustainable Systems, LLC

Accepted: Date: 3-10-08

Accepted: Date: 4-1-08

Myron Lee  
Producer's Signature

[Signature]  
Sustainable Systems LLC (Buyer)

**"NOTICE: FINANCIAL RISK STATEMENT:**

**IN THE EVENT OF FINANCIAL INSOLVENCY, AMOUNTS OWING AFTER SURETY BOND PAYMENT, MAY RESULT IN AN UNSECURED OBLIGATION. THE SELLER IS HEREBY ADVISED OF THE FINANCIAL RISK INVOLVED WITH THIS TYPE OF CONTRACT."**

**HIGH OLEIC SUNFLOWER CROP PRODUCTION CONTRACT - TERMS AND  
CONDITIONS**

BUYER and PRODUCER agree that PRODUCER shall plant the High Oleic planting seed received only from the BUYER'S representative on the contracted acres herein and in accordance with BUYER'S specification, shall produce and deliver his entire high oleic (**minimum 80% oleic**) sunflower seed crop to BUYER'S designated delivery point, FOB Montola at Culbertson, MT. PRODUCER shall provide continuing security for the high oleic sunflower planting seed and crop seed and shall not dispose any part of it other than in accordance with this contract.

1. PRODUCER shall deliver his entire production of high oleic sunflower seed of storable and milling quality produced from the acreage herein indicated. Oil analysis shall be performed by an official grain inspection service. A copy of said analysis shall be furnished to both BUYER and PRODUCER. BUYER will accept high oleic sunflower seed (Minimum 80% Oleic) with up to 10% moisture content and free of insect infestation. A premium or discount of 2% of the contract price shall be made for each 1% (or fraction thereof) of oil content above or below 40% to 38%, 3% deduction from 37.9-33% and 4% deduction below 33%. A deduction of 1% of the delivered weight for each 1% (or fraction thereof) of foreign matter shall be made. Minimum test weight twenty five pounds (25lbs) per bushel - discount 2% of the contract base price for each one pound under twenty five pounds (25lbs). Other discounts to apply: 3% deduction for each 1% (or fraction thereof) heat damage above 0.5% (Max allowed 2%), regular damage excluding heat damage 2% of the contract price for each 1% damage over 5% to a maximum 15% damage. Sprouted sunflower seed is subject to rejection. Any rejected seed shall be removed at producer's expense.
2. PRICING- This contract is a basis priced contract of \$.015/lb. over the new crop (Nov 2008 Delivery) bid quoted by ADM in Enderlin ND. Producer has the option and the responsibility to establish the price of this contract by calling Montola 877-666-8652 during business hours 8am-4pm Mon-Fri excluding holidays and signifying intent to price by March 31, 2008. If pricing has not been established by March 31, 2008 the bid given at close of business that day will be automatically assigned to this contract. A pricing verification will be provided to producer and must be signed and returned to secure pricing.
3. PRODUCER shall keep sunflower seed identity preserved and variety must not be grown adjacent to, or mixed with, seed of other variety during transportation, planting, harvest, seed storage and handling. BUYER shall have the option to cancel this contract should PRODUCER fail to keep seed identity preserved.
4. PRODUCER shall cause the production of sunflower seed to be delivered at the time to be indicated in writing by BUYER. BUYER shall have the option to cancel this contract should PRODUCER fail to deliver seed at the place and time indicated by BUYER. Should BUYER not cancel this contract, PRODUCER shall be responsible for all costs related to seed movement until delivery.
5. PRODUCER warrants that as of the date of acceptance by the PRODUCER there are no prior claims to future crops except as noted on the front, and PRODUCER shall promptly notify BUYER in writing prior to September 1<sup>st</sup> of crop year, of the name and address of any person or persons who may claim an interest in the crop and agrees to hold BUYER harmless for any act or omission in respect to such interest not known to BUYER.
6. Immediately upon receipt of the sunflower seed, the grade, dockage, and moisture content shall be established by a Montola representative, based on unload samples taken at the time of delivery. Montola shall retain an average sample of each delivery for a period of not more than 90 days, and, in the event of a disagreement on grade and/or dockage, shall, at the request and expense of the producer, forward this sample for final analysis to a government/independent laboratory for final analysis, whose decision shall be final and conclusive.
7. Promptly after PRODUCER'S deliveries are completed and after receipt of weight and quality certificates, BUYER shall make 70% settlement with PRODUCER and/or any lienholder of whom PRODUCER has given notice under Section 4, after first deducting any charges and deductions provided for in Sections 1, 3 and 4 above and any indebtedness then owing from PRODUCER to BUYER. Thirty percent payment will be made on March 1, 2009.
8. PRODUCER agrees to provide BUYER with the legal description(s) of the field(s) planted to sunflower upon request by BUYER.
9. Governing Law: This contract shall be governed by the laws of the state of Montana and the National Institute of Oilseed Products Trading Rules as in effect on the date of contract.
10. Liquidated Damages: If BUYER determines that the PRODUCER has violated its obligation to deliver PRODUCER'S entire production of seed under this contract, liquidated damages shall be assessed by multiplying the quantity of seed which is in violation of this obligation by twice the highest price quoted by BUYER for the purchase of PRODUCER'S crop.
11. Force Majeure: Delays in, or nonperformance of this contract shall be excused if caused by fire, floods, crop failures, wind, frosts, drought, disasters, acts of any governmental authority or events beyond the control of the parties. In the event of a crop failure for any reason, the PRODUCER shall notify the BUYER immediately in writing in order that a representative may inspect the acreage and/or the produce. The PRODUCER shall not plow down or reseed above said acres or any portion thereof without BUYER'S consent.
12. Assignment: PRODUCER may not assign PRODUCER'S rights or obligations hereunder without prior written consent of BUYER. Subject to the foregoing, this contract shall inure to the benefit of and bind the successors, assigns and personal representatives of the parties.

MONTOLA - A DIVISION OF



**SUSTAINABLE SYSTEMS, LLC** [www.montola.com](http://www.montola.com)

Ph: 1.877.666.8652 or 406.787.6616 Fax: 1.406.787.6362 [info@sustainable-systems.com](mailto:info@sustainable-systems.com), [info@montola.com](mailto:info@montola.com)

**SUNFLOWER PRICING ACKNOWLEDGEMENT**

DATE: 3/3/2008 CONTRACT NO.: S815

GROWER MYRON & HARVEY LEE  
15051 58TH ST NW  
WILLISTON, ND 58801

ENDERLIN NUSUN WITH AOG PRICE: \$ 28.00 /cwt.  
BASIS: \$ 1.50 /cwt.  
CONTRACT PRICE: \$ 29.50 /cwt.

ACCEPTED BY:

Myron Lee  
Producer

VERIFIED:

[Signature]  
Montola a Div of Sustainable Systems LLC.

**Signed document must be received by Montola within 5 working days of issuance to remain valid.**

Return To: Montola  
PO Box 478  
Culbertson, Mt. 59218



SUSTAINABLE SYSTEMS, LLC

P.O. Box 478  
Culbertson, MT 59218

Tel: 406-787-6616  
Fax: 406-787-6362

Toll Free: 1-877-666-8652

2008 SAFFLOWER PRODUCTION CONTRACT

Contract 80034

Producer : MYRON & HARVEY LEE Acres: 175

Address: 15051 58<sup>TH</sup> ST NW City: WILLISTON

State: ND Zip: 58801 County: WILLIAMS

Social Security # or Tax 501-56-9058 Phone#: 701-875-4231

BUYER (Sustainable Systems, LLC) agrees to purchase PRODUCER'S entire safflower crop production from the contracted acres at a price of \$0.28/lb delivered FOB to Culbertson, MT 59218 basis pure, clean, sound, dry (8% moisture or less) safflower seed grading No 2 Montana or better. Weight settlement shall be delivered basis. The terms and conditions stated herein constitute the entire agreement between BUYER and PRODUCER, and these terms and conditions can only be modified by a written document signed by the BUYER and PRODUCER.

Freight allowance: Field location 100 to 149 miles from plant \$.25/cwt. Field location more than 149 miles from plant \$.50/cwt. Freight will be based on net seed delivered.

Miles from Culbertson, MT:  100-149 miles  More than 149 miles

Name and address of any other person claiming an interest in ownership or security interest in producer's Safflower (see paragraph 4 on reverse side)

of Obert Lee

This contract is binding and constitutes an agreement when accepted and signed by a representative from Sustainable Systems, LLC

Accepted: Date: 3-22-08

Accepted: Date: 4-1-08

Myron Lee  
Producer's Signature

Neil Dumbaul  
Sustainable Systems, LLC (Buyer)

**"NOTICE: FINANCIAL RISK STATEMENT:  
IN THE EVENT OF FINANCIAL INSOLVENCY, AMOUNTS OWING AFTER SURETY BOND PAYMENT, MAY  
RESULT IN AN UNSECURED OBLIGATION. THE SELLER IS HEREBY ADVISED OF THE FINANCIAL RISK  
INVOLVED WITH THIS TYPE OF CONTRACT."**

## SAFFLOWER CROP PRODUCTION CONTRACT - TERMS AND CONDITIONS

BUYER and PRODUCER agree that PRODUCER shall plant the safflower planting seed received from the BUYER only on the contracted acres herein and in accordance with BUYER'S specification, shall produce and deliver his entire safflower seed crop to BUYER'S designated delivery point, FOB Culbertson, MT. PRODUCER shall provide continuing security for the safflower planting seed and crop seed and shall not dispose any part of it other than in accordance with this contract.

1. PRODUCER shall deliver his entire production of safflower seed of storable and milling quality produced from the acreage herein indicated. Oil analysis shall be performed by an official grain inspection service. A copy of said analysis shall be furnished to both BUYER and PRODUCER. BUYER will accept safflower seed with up to 8% moisture content and free of insect infestation. A premium of 2% of the contract price shall be made for each 1% (or fraction thereof) of oil content above 37%. Seed testing below 37% oil content shall be subject to the following discount schedule. 36.9% - 34% - will be discounted 2% of contract price for each 1% (or fraction thereof) of oil content below 37%. 33.9% - 30% - will be discounted 3% of contract price for each 1% (or fraction thereof) of oil content below 37%. Oil content below 30% shall be negotiable and subject to rejection. A deduction of 1% of the delivered weight for each 1% (or fraction thereof) of foreign matter shall be made. A deduction of \$1.00/cwt of the contract price shall be made for No. 3 Montana safflower seed. For safflower seed grading less than No. 3 Montana, the following discounts from the contract price shall apply: 2.5% deduction for each 1% (or fraction thereof) heat damage above 0.5%. Sprouted safflower seed is subject to rejection. Any rejected seed shall be removed at producer's expense.
2. PRODUCER shall keep safflower seed identity preserved and variety must not be grown adjacent to, or mixed with, seed of other variety during transportation, planting, harvest, seed storage and handling. BUYER shall have the option to cancel this contract should PRODUCER fail to keep seed identity preserved.
3. PRODUCER shall cause the production of safflower seed to be delivered at the time to be indicated in writing by BUYER. BUYER shall have the option to cancel this contract should PRODUCER fail to deliver seed at the place and time indicated by BUYER. Should BUYER not cancel this contract, PRODUCER shall be responsible for all costs related to seed movement until delivery. If storage is unavailable at the plant at harvest, storage payment of \$1/ton/month (clean seed basis) will be paid starting November 1, 2008.
4. PRODUCER warrants that as of the date of acceptance by the PRODUCER there are no prior claims to future crops except as noted on the front, and PRODUCER shall promptly notify BUYER in writing prior to September 1<sup>st</sup> of crop year, of the name and address of any person or persons who may claim an interest in the crop and agrees to hold BUYER harmless for any act or omission in respect to such interest not known to BUYER.
5. Immediately upon receipt of the safflower seed, the grade, dockage, and moisture content shall be established by a Sustainable Systems, LLC representative, based on unload samples taken at the time of delivery. Sustainable Systems, LLC shall retain an average sample of each delivery for a period of not more than 90 days, and, in the event of a disagreement on grade and/or dockage, shall, at the request and expense of the producer, forward this sample for final analysis to a government/independent laboratory for final analysis, whose decision shall be final and conclusive.
6. Promptly after PRODUCER'S deliveries are completed and after receipt of weight and quality certificates, BUYER shall make 70% settlement with PRODUCER and/or any lienholder of whom PRODUCER has given notice under Section 4, after first deducting any charges and deductions provided for in Sections 1, 3 and 4 above and any indebtedness then owing from PRODUCER to BUYER. Thirty percent payment will be made on March 1, 2009.
7. PRODUCER agrees to provide BUYER with the legal description(s) of the field(s) planted to safflower upon request by BUYER.
8. Governing Law: This contract shall be governed by the laws of the state of Montana and the National Institute of Oilseed Products Trading Rules as in effect on the date of contract.
9. Liquidated Damages: If BUYER determines that the PRODUCER has violated its obligation to deliver PRODUCER'S entire production of seed under this contract, liquidated damages shall be assessed by multiplying the quantity of seed which is in violation of this obligation by twice the highest price quoted by BUYER for the purchase of PRODUCER'S crop.
10. Force Majeure: Delays in, or nonperformance of this contract shall be excused if caused by fire, floods, crop failures, wind, frosts, drought, disasters, acts of any governmental authority or events beyond the control of the parties. In the event of a crop failure for any reason, the PRODUCER shall notify the BUYER immediately in writing in order that a representative may inspect the acreage and/or the produce. The PRODUCER shall not plow down or reseed above said acres or any portion thereof without BUYER'S consent.
11. Assignment: PRODUCER may not assign PRODUCER'S rights or obligations hereunder without prior written consent of BUYER. Subject to the foregoing, this contract shall inure to the benefit of and bind the successors, assigns and personal representatives of the parties.