

NORTH DAKOTA OILSEED MILLS LLC

530 35TH STREET

NORTHWOOD, ND 58267

RECEIVED

JUL 19 2010

July 17, 2010

PUBLIC SERVICE COMMISSION

Via US Mail

Susan Richter, Executive Director
North Dakota Public Service Commission
600 East Boulevard Ave, Dept 408
Bismarck, ND 58505-0480

Dear Ms. Richter:

Please find enclosed an Application for a Protective Order and Trade Secret Protection for North Dakota Oilseed Mills LLC.

Pursuant to section 69-02-09-02 of the North Dakota Administrative Code, the trade secret information is being submitted under separate cover in a sealed envelope labeled: TRADE SECRET – PRIVATE.

As per our verbal discussions over the past couple days, I am also enclosing the redacted versions of the Business Plan and Financial Projections that were previously sent via email.

Please do not hesitate to contact Geoffrey Bengtson, General Manager at 701.587.6325 or myself at 701.780.9616, with further questions or comments on the information requested or contained herein.

Best Regards,



Rachel Hellyer
Treasurer

Enclosures

Redacted Version

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JUL 19 2010

NORTH DAKOTA *OILSEED MILLS*

PUBLIC SERVICE COMMISSION

Business Summary

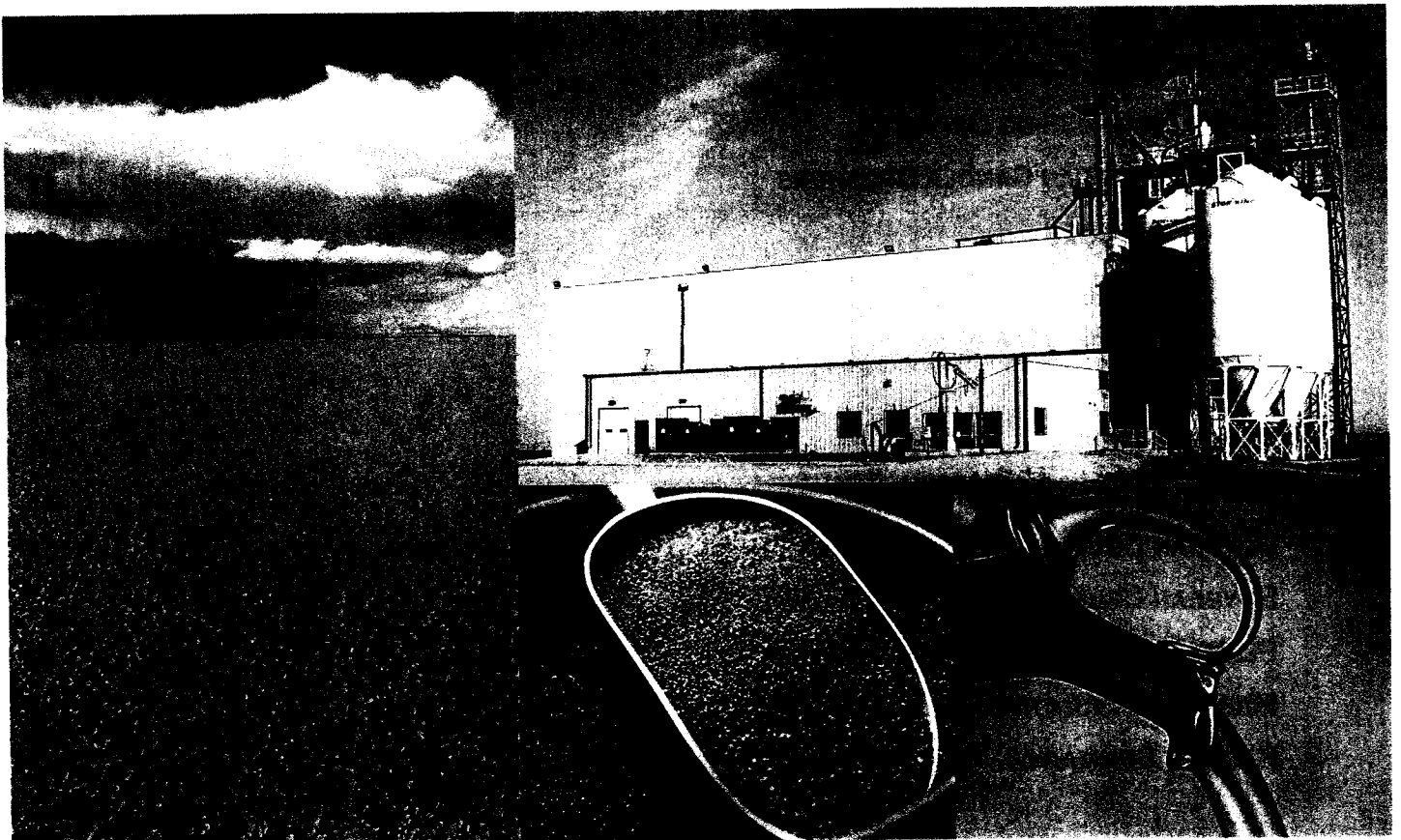


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Executive Summary

Business Opportunity

North Dakota Oilseed Mills, LLC crushes canola to produce canola oil and canola meal. The company is a small crushing facility currently capable of processing 250 tons per day.

Financial Potential

The returns for canola processing fluctuate but normal margins can produce a good return on investment. Margins vary depending on the market that the oil is sold into. The margins for human edible oil can be very attractive, while the biodiesel markets are not as lucrative, but move significant volumes. Given current commodity selling and purchase prices and average margins from the last year, the Company projects \$30 million in sales per year with the existing crush capacity. Free cash flow is projected to exceed \$600,000 per year.

Economic Impact

The impact of North Dakota Oilseed Mills on the community and state is significant. Based on our projections and past performance, compensation paid to employees is around \$775,000 per year. Applying conservative economic impact multipliers for the manufacturing industry would yield an annual economic impact of \$2.25 million per year. It is important to note that a significant portion of canola sourcing comes from North Dakota farmers and that the majority of sales are outside the state.

Company History

North Dakota Oilseed Mills LLC (NDOM) was established as a Limited Liability Company in the state of North Dakota in June of 2010. The two members of NDOM are Northwood Mills LLLP and Sodrugestvo B.V., a Netherlands based private company.

Facility History

The facility was commissioned in July of 2007. Though initially built to crush soybeans, market conditions drove the decision to switch to canola in January of 2008. In January of 2009, the facility was idled. The equipment has been well taken care of and requires very little effort to resume operations.

Canola

North Dakota is the number one canola growing state in the U.S. The acres of canola harvested have averaged roughly 1,000,000 acres per year for the past decade. Average yields have ranged from about 1,200 pounds per acres up to 1,840 pounds per acre. The total 2009 crop production was over 1.334 billion pounds of canola.

In North Dakota, the traditional canola production region has been the northern third of the state, just west of the Red River Valley. Smaller amounts of canola are grown in other areas of the state. In 2008, roughly 76,000 acres of canola were harvested within 60 miles of North Dakota Oilseed Mills. Just over 235,000 acres were harvested within 100 miles that same year. With NDOM's existing equipment, total acres required would be approximately 125,000 or less than 13% of the state's production.

Canola acres will hit a record in North Dakota in 2010. According to the National Ag Statistics Service, North Dakota farmers planted 1,350,000 acres of canola in 2010, up from last year's 730,000 acres. This is an 85% increase from last year's crop and also higher than the March Projected Plantings Report for North Dakota. Record yields for canola in 2009, combined with strong prices were the main reasons for the large increase. As of June 28th, the ND Agricultural Statistics Service reported that 84% of the state's canola crop was in the 'Good to Excellent' categories. Crop progress indicated that 35% of the canola crop was blooming, well ahead of last

year but in line with the five-year average.

Process Description

In terms of canola milling, there are two basic methods for producing meal and oil – Chemical (solvent) extraction and mechanical (expeller) extraction. The current process utilizes mechanical extraction to separate the meal from the oil. Crushing capacity is 250 tons per day.

Primary Competitors

[Redacted]

Customer Profile

Canola Oil:

Food – Canola oil that is currently produced at North Dakota Oilseed Mills has been degummed and is used extensively in the food markets. With proposed refinery upgrades, access will be gained to additional food markets.

[Redacted]

Canola Meal: The canola meal is sold into the feed markets. Roughly 190,000 dairy cows are fed within 280 miles of North Dakota Oilseed Mills. Over 50 million turkeys were raised in Minnesota and North Dakota in 2008. The existing customers in this area would consume over 75% of the meal produced. With the turkey and dairy production in Minnesota, North Dakota, and South Dakota, that number could easily grow to 100%.

[Redacted]

Distribution Channels

Distribution channels would vary from market to market. [Redacted]

Promotional Plan

In order to raise the Company's profile with local producers, trade shows, farm publications, mailings

and word of mouth will be used to promote the company and its services.

[REDACTED]

[REDACTED] Assistance would be given as far as product performance. The feed market is relatively limited to several large players so direct to customer sales would be the primary method of selling. Active employment of the Internet would be used to access a much broader market area.

Personnel Plan

When operational, the facility employs approximately 25 fulltime personnel with wages varying from \$26,000 to \$60,000 per year.

Professional Team

Our General Manager, Geoff Bengtson, brings years of successful management of high-level projects and processes from his 23 years in the US Air Force. His past experience with Northwood Mills has proven that he has been a quick-study on the merchandising and hedging programs necessary to operate North Dakota Oilseed Mills. He also has a very strong mechanical background and understands the need for data tracking for maximum optimization of our processes.

Clarence Leschied, one of the founders of Northwood Mills, fills our Business Development position. His background in oilseed procurement, sales and processing provides significant valuable contacts within our industry. Mr. Leschied's know-how on the crushing side provides direction for necessary changes to the process as well since he is well connected with equipment suppliers and vendors who are capable of implementing changes.

Our Plant Manager position is not currently filled. However, we have initiated conversations with professionals in the industry who are capable of filling that role until the right individual is found. The existing management sees the value of hiring the "right" person to fill this role since it is one of the most critical needs. For that reason, consultants will be used until the appropriate person is found.

Professional Consultants

The management team has access various consultants to add additional expertise to the operation.

[REDACTED]

[REDACTED]

Crown Iron Works is a major equipment supplier and one of the largest oilseed processing suppliers in the world. They have had extensive input on the equipment and proposed changes to the plant.

Keys to Future Success

Market Expansion

Additional markets have been and will continue to be pursued to ensure a single customer's failure to take delivery does not cause the Mill to shut down and lose other customers. Sales concentration risk will be continually evaluated in order to prevent a repeat of past problems.

Production

Consistency of production output and product quality is critical to success. Past challenges in this area appear to have been overcome with proper equipment upgrades and

adjustments. Operations plans will be implemented in order to minimize downtime and optimize output.

Training

Time and money will be invested in properly training our workforce so that human errors that periodically caused shut-downs and product quality issues will be minimized. This will lead to a stronger workforce in our area.

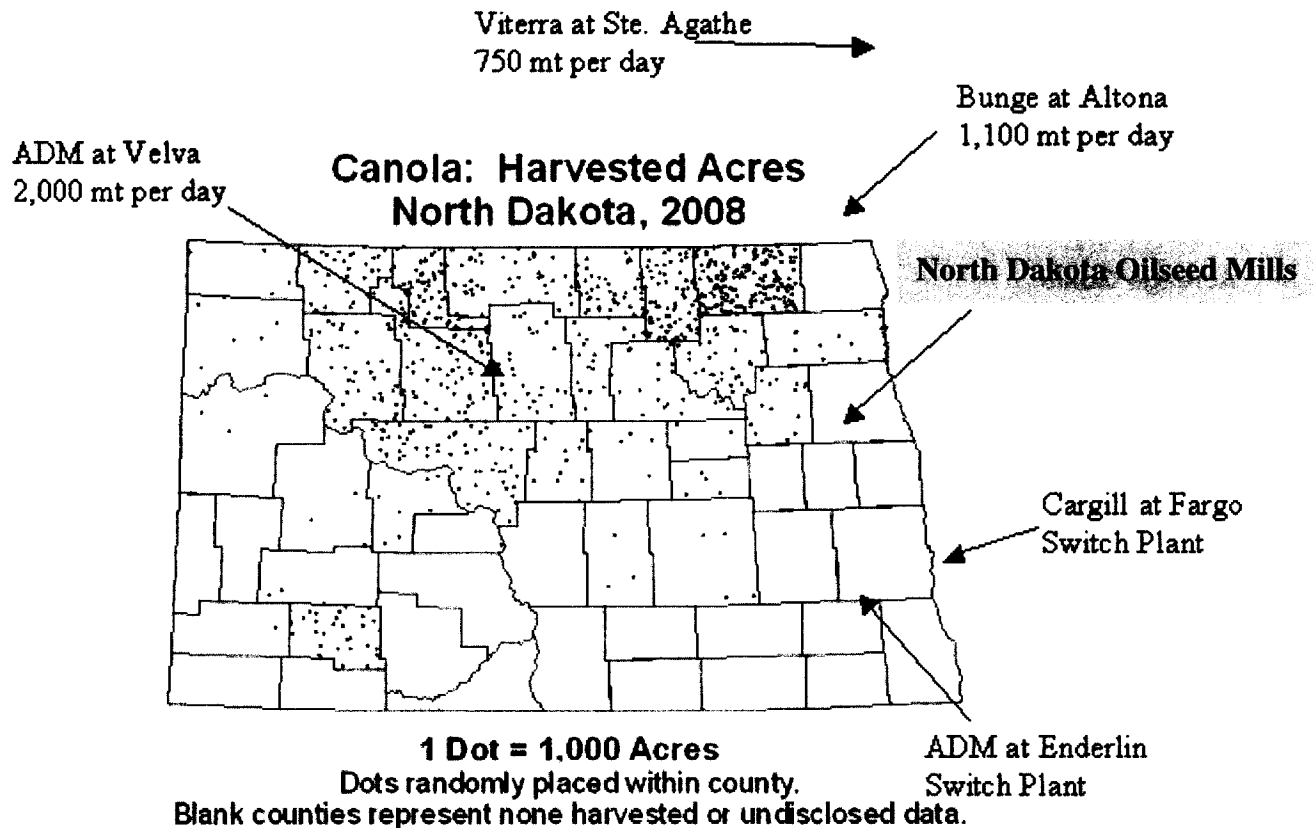
Risk Management/Proper Hedging

The current hedging policy dictates that NDOM's position will never have more than two days production unhedged at any given time. Typical daily positions have been significantly tighter than the policy. North Dakota Oilseed Mills' position will normally be hedged as much as possible given futures contract size.

Inputs

Canola Information

North Dakota Canola Harvested & Canola Crushing Facilities



Canola Supply

North Dakota Oilseed Mills consumes less 13% of North Dakota's Canola
81,816 of the 653,350 tons harvested in 2008

Canola Acres planted were down 19% for 2009 in ND

Higher yields of 2009 more than offset lower acres – 667,000 tons harvested in 2009

Canola acres will hit a record in North Dakota in 2010. According to the National Ag Statistics Service, North Dakota farmers planted 1,350,000 acres of canola in 2010, up from last year's 730,000 acres. This is an 85% increase from last year's crop and also higher than the March Projected Plantings Report for North Dakota. Record yields for canola in 2009, combined with strong prices were the main reasons for the large increase. As of June 28th, the ND Agricultural Statistics Service reported that 84% of the state's canola crop was in the 'Good to Excellent' categories. Crop progress indicated that 35% of the canola crop was blooming, well ahead of last year but in line with the five-year average.

Canola Basis

According to Barry Coleman, the Executive Director of the Northern Canola Growers Association, the historic canola basis across ND is \$25 under the ICE canola futures price CA\$/mt.

Specialty Canola

There are two primary high oleic contracts in place in North Dakota. One is the Nexera program that's run by Dow and crushed by Bunge and ADM. The other is CV 65, which is Cargill's high oleic program. It is estimated to be between 30,000 to 50,000 acres in ND.

U.S. Canola Association

The Canola Acreage Task Force (CATF) was formed at the November 2007 USCA Board of Directors meeting with instructions to establish "acreage increase goals" for the coming years and to "document and evaluate the reasons producers are reluctant to plant the crop, and then implement a plan to address these concerns to limit acreage loss in existing growing regions while expanding acreage in potential new growing regions."

Acreage Goals

Region	2008	2010	2015
Mid-South/Southeast	20,000	150,000	300,000
Great Plains	50,000	200,000	800,000
North Dakota	900,000	1,500,000	2,500,000
PNW (WA, ID, OR, MT)	15,000	60,000	120,000
Minnesota	30,000	100,000	150,000
Midwest/Other States		50,000	250,000
	1,015,000	2,060,000	4,120,000

From their published goals, North Dakota canola production would almost triple by 2015. Based on some very preliminary discussions with the Northern Canola Growers Association, they are projecting a large increase in canola acreage for 2010 based on:

1. Tremendous yields for 2009-set record yields
2. Strong pricing compared to wheat
3. Rotation- large acreage of Preventative Planting was in canola production region so producers can plant more canola next year

The Canadian Canola Council has published a similar industry goal outline. Here is the summary of their efforts.

<u>Element</u>	<u>2006</u>	<u>2015</u>
Export Seed	5.2 MMT	7.5 MMT
Domestic crush	3.7 MMT	7.5 MMT
Ratio of Classic to Designer	90/10	75/25
Oil Content	42.5%	45%
Meal	2,000 kcals/kg	10% increase
Production	9.0 MMT	15 MMT

The canola industry is poised to continue to grow in both the USA and Canada over the next few years. There have been significant developments in the crop that will continue to impact the future direction. Here is a list of some of those developments.

1. Designer canola- specialty traits for customers needs
2. Hybrids that permits straight combining, eliminating swathing
3. Nitrogen fixing by the plant
4. Biodiesel mandates

**Canola: Selected State and United States,
Market Year Average Prices, 2006-2007 Final, 2008 Preliminary**

State	2006	2007	2008
	<i>Dollars per Cwt</i>	<i>Dollars per Cwt</i>	<i>Dollars per Cwt</i>
MN	11.60	18.90	17.40
MT	11.70	19.50	17.50
ND	11.90	18.30	19.10
Oth Sts ¹	11.40	15.50	20.00
US	11.90	18.30	19.10

¹ Other States include CO, ID, KS, MI, OK, OR, and WA.

**Canola : Farm Marketings, Percent of Sales, by Month
and State, 2007-2008 ¹**

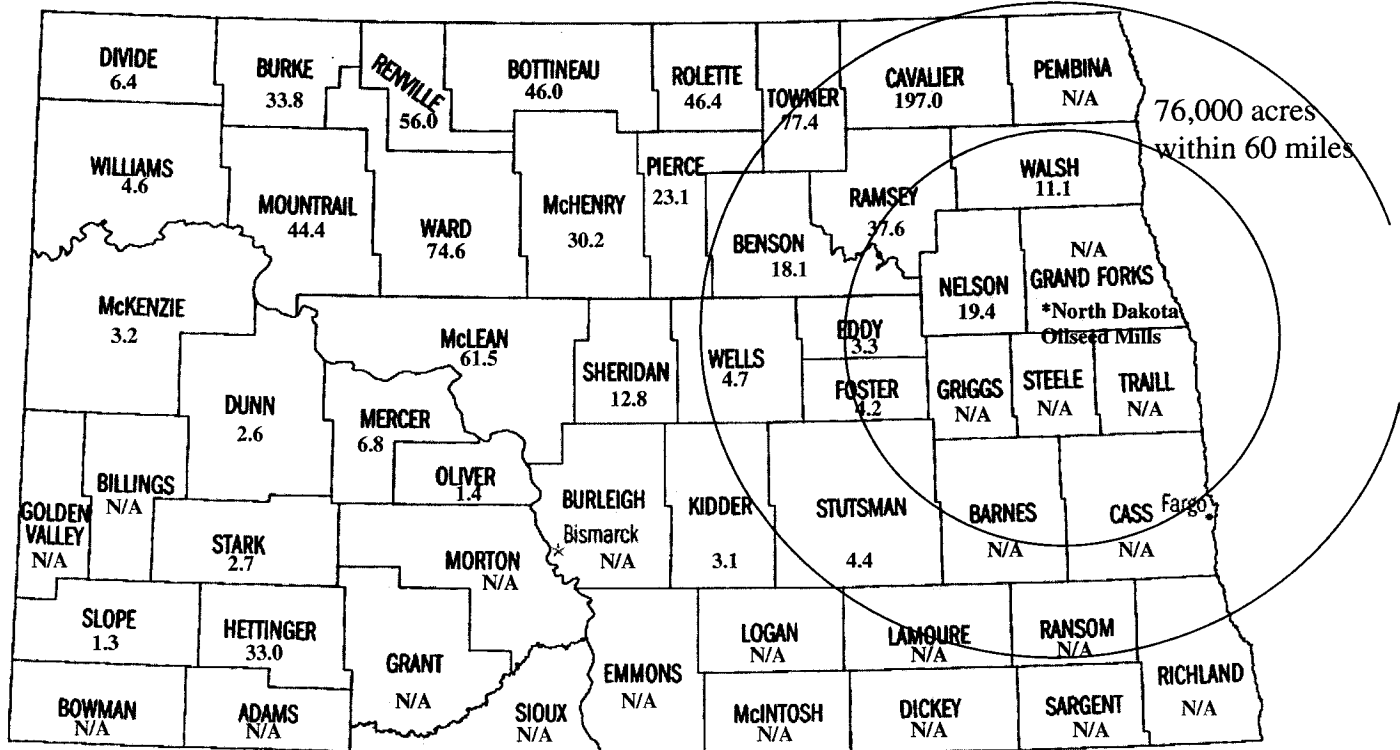
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
MN 2007-2008	5.0	27.0	8.0	2.0	9.0	4.0	5.0	7.0	10.0	6.0	6.0	11.0
ND 2007-2008	4.0	28.0	13.0	5.0	4.0	7.0	14.0	8.0	7.0	2.0	1.0	7.0
US 2007-2008	3.9	28.0	12.7	4.9	4.5	6.7	13.3	8.4	6.7	2.5	1.7	6.7

¹ Monthly farm marketings, based on a sample survey, as a percent of total used for calculating marketing year average prices.

2008 ND Canola Data

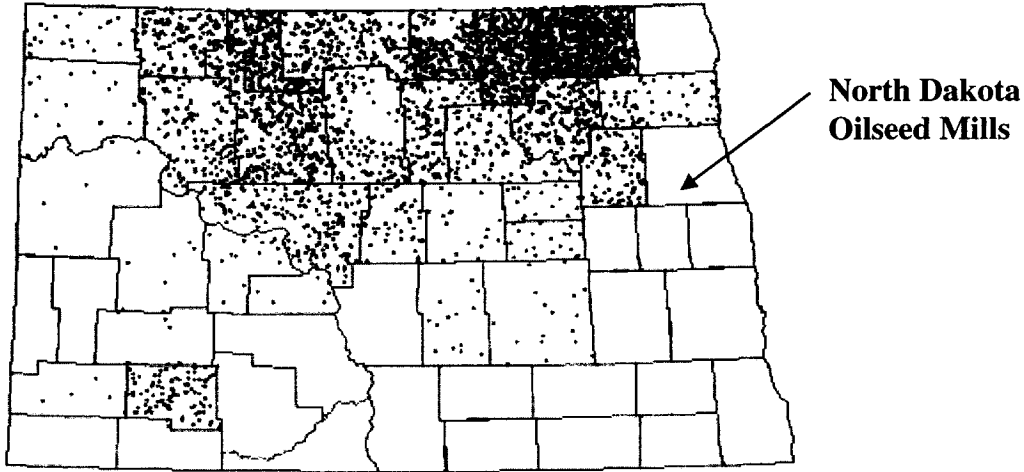
ND Canola Acres Harvested in 2008
910 Planted & 895 Harvested (In Thousands of Acres)

235,000 acres
within 100 miles



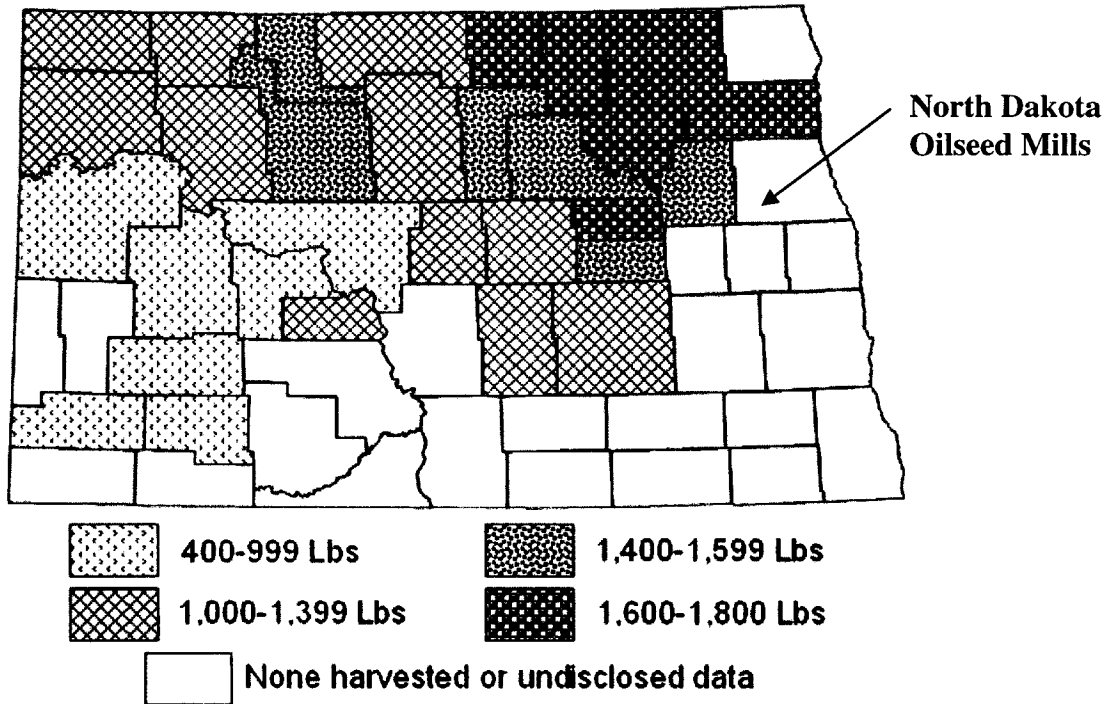
Combined Counties: Northeast – 6.3; East Central – 4.5; Southwest – 4.3; Combined Districts – 8.9

**Canola: Production
North Dakota, 2008**



1 Dot = 300,000 Pounds
 Dots randomly placed within county.
 Blank counties represent none harvested or undisclosed data.

**Canola: Yield Per Acre
North Dakota, 2008**





Canola: Area Planted and Harvested, Yield and Production, North Dakota by County, 2008 ¹

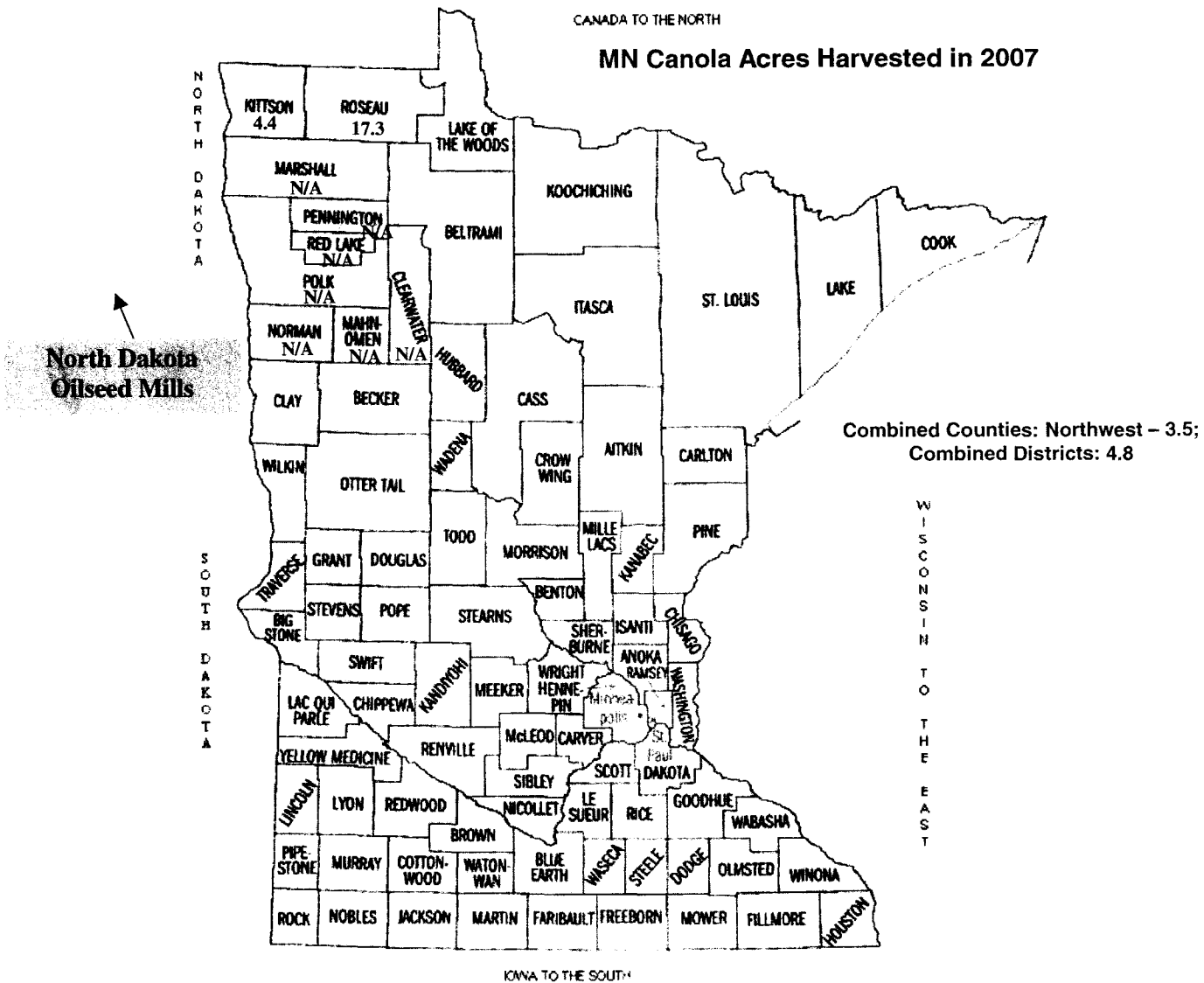
District and County	Area Planted	Area Harvested	Yield	Production
	Acres	Acres	Pounds	Pounds
Burke	34,000	33,800	1,193	40,320,000
Divide	6,400	6,400	1,011	6,470,000
Mountrail	45,700	44,400	1,026	45,540,000
Renville	56,000	56,000	1,476	82,660,000
Ward	75,900	74,600	1,486	110,830,000
Williams	5,000	4,600	1,076	4,950,000
Combined Counties Northwest	223,000	219,800	1,323	290,770,000
Benson	18,500	18,100	1,464	26,490,000
Bottineau	47,100	46,000	1,367	62,890,000
McHenry	30,500	30,200	1,384	41,800,000
Pierce	23,300	23,100	1,516	35,030,000
Rolette	46,600	46,400	1,788	82,980,000
Combined Counties North Central	166,000	163,800	1,521	249,190,000
Cavalier	200,000	197,000	1,754	345,590,000
Grand Forks				
Nelson	19,500	19,400	1,471	28,530,000
Pembina				
Ramsey	37,600	37,600	1,727	64,940,000
Towner	77,500	77,400	1,718	132,940,000
Walsh	11,100	11,100	1,700	18,870,000
Combined Counties Northeast	6,300	6,200	1,842	11,420,000
Combined Counties Northeast	352,000	348,700	1,727	602,290,000
Dunn	2,700	2,600	846	2,200,000
McKenzie	3,400	3,200	538	1,720,000
McLean	63,500	61,500	945	58,130,000
Mercer	7,000	6,800	681	4,630,000
Oliver	1,400	1,400	1,221	1,710,000
Combined Counties West Central	78,000	75,500	906	68,390,000
Eddy	3,300	3,300	1,748	5,770,000
Foster	4,300	4,200	1,557	6,540,000
Kidder	3,300	3,100	1,287	3,990,000
Sheridan	14,000	12,800	1,109	14,200,000
Stutsman	4,700	4,400	1,150	5,060,000
Wells	4,900	4,700	1,177	5,530,000
Combined Counties Central	34,500	32,500	1,264	41,090,000
Barnes				
Cass				
Griggs				
Steele				
Tralli				
Combined Counties East Central	4,500	4,500	1,513	6,810,000
East Central	4,500	4,500	1,513	6,810,000
Adams				
Billings				
Bowman				
Golden Valley				
Hettinger	33,500	33,000	956	31,550,000
Slope	1,900	1,300	900	1,170,000
Stark	3,000	2,700	404	1,090,000
Combined Counties Southwest	4,600	4,300	974	4,190,000
Southwest	43,000	41,300	920	38,000,000
Burleigh				
Emmons				
Grant				
Morton				
Sioux				
Combined Counties South Central				
South Central				
Dickey				
LaMoure				
Logan				
McIntosh				
Ransom				
Richland				
Sargent				
Combined Counties Southeast				
Combined Districts	9,000	8,900	1,142	10,160,000
State Total	910,000	896,000	1,460	1,306,700,000

¹ Data published in combined counties or districts to avoid disclosure of individual operations or due to lack of adequate coverage in affected counties.

2007 MN Canola Data

CANADA TO THE NORTH

MN Canola Acres Harvested in 2007



2008 Canadian Canola Data
Canada Canola Acres Harvested in 2008
 16,048 Harvested (In Thousands of Acres)



CANSIM - Results

Table 001-0017¹
Estimated areas, yield, production, average farm price and total farm value of principal field crops, in imperial units, annual

Survey or program details:
 Field Crop Reporting Series - [3401](#)

Harvest disposition=Harvested area (acres)
Type of crop=Canola (rapeseed)^{2,21}

Geography	2007	2008	2009
Canada	15,636,000	16,048,200	15,289,700
Quebec	21,000	43,200	29,700
Ontario	35,000	55,000	45,000
Prairie provinces	15,510,000	15,900,000	15,140,000
Manitoba	3,035,000	3,080,000	3,030,000
Saskatchewan	7,475,000	7,650,000	7,560,000
Alberta	5,000,000	5,170,000	4,550,000
British Columbia	70,000	50,000	75,000

Footnotes:

1. Average farm price and total farm value were discontinued in 1984.
2. For metric data see CANSIM table [001-0010](#).
21. Data begin in 1943.

Plant Capacities and Efficiencies

Seed Crushed

Maximum – 275 tons per day, 8,365 tons per mo, 100,375 tons per yr

Expected – 235 tons per day, 6,818 tons per mo, 81,816 tons per yr

Meal Data

Meal Produced

141 tons per day, 4,091 tons per mo, 49,092 tons per yr

Typical Meal Analysis

- Crude Protein – 37%
- Crude Fat – 12%
- Moisture – 5.5%

Guaranteed Meal Analysis

- Crude Protein – 36% Minimum
- Crude Fat – 8% Minimum
- Crude Fiber – 12% Maximum
- Moisture – 12% Maximum

Oil Data

Oil Produced

169,269 lbs per day, 4,908,800 lbs per mo, 58,905,600 lbs per yr

Typical Oil Analysis

- Free Fatty Acids (FFA) – .26% by mass
- Moisture & Impurities – 0.19% by mass
- Flash Point – Above 150 degrees Celsius
- Chlorophyll – 7 parts per million
- Neutral Oil – 99.36% by mass
- Loss – .64% by mass
- Phosphorus Content – 43 parts per million
- Erucic Acid – None Detected
- Sulfur – 4 parts per million

Guaranteed Oil Analysis

- Free Fatty Acids (FFA) – 1.0% by mass – maximum
- Moisture & Impurities – 0.3% by mass – maximum
- Flash Point – 150 degrees Celsius – minimum
- Chlorophyll – 30 parts per million – maximum
- Neutral Oil – 98.5% by mass -- minimum
- Loss – 1.5% by mass – maximum
- Phosphorus Content – 50 parts per million – maximum
- Erucic Acid – 2.0% by mass – maximum
- Sulfur – 10 parts per million typical

Product Sales

Canola Meal Sales – Facility's Historic Data



Historical Canola Meal Values Compared to Soy Meal prices

Analysis of Variance between Soy and Canola Meal Prices
As per 8/13/09 USDA Oil Crop Outlook Report

	<u>Soybean</u> <u>Meal</u>	<u>Canola</u> <u>Meal</u>	<u>Difference</u>	<u>CM as</u> <u>% of</u> <u>SM</u>
1998/99	138.50	112.28	-26.22	81%
1999/00	167.62	117.07	-50.55	70%
2000/01	173.62	139.20	-34.42	80%
2001/02	167.72	143.33	-24.39	85%
2002/03	181.58	144.06	-37.52	79%
2003/04	256.05	188.45	-67.60	74%
2004/05	182.90	139.75	-43.15	76%
2005/06	174.17	140.52	-33.65	81%
2006/07	205.44	173.50	-31.94	84%
2007/08	335.94	251.32	-84.62	75%
2008/09	325.00	250.00	-75.00	77%
<i>Averages</i>	<i>209.87</i>	<i>163.59</i>	<i>-46.28</i>	<i>78%</i>
2007/08				
October	260.55	167.24	-93.31	64%
November	280.76	192.25	-88.51	68%
December	314.78	226.30	-88.48	72%
January	331.28	276.78	-54.50	84%
February	345.87	285.83	-60.04	83%
March	331.57	276.85	-54.72	83%
April	329.94	268.14	-61.80	81%
May	325.48	258.75	-66.73	79%
June	390.72	293.20	-97.52	75%
July	412.25	310.19	-102.06	75%
August	355.35	239.88	-115.47	68%
September	352.70	220.42	-132.28	62%
<i>Averages</i>	<i>335.94</i>	<i>251.32</i>	<i>-84.62</i>	<i>75%</i>

**Analysis of Variance between Soy and Canola Meal Prices
As per 8/13/09 USDA Oil Crop Outlook Report**

2008/09	<u>Soybean</u> <u>Meal</u>	<u>Canola</u> <u>Meal</u>	<u>Difference</u>	<u>CM as</u> <u>% of</u> <u>SM</u>
October	260.66	192.55	-68.11	74%
November	267.37	217.99	-49.38	82%
December	268.24	228.62	-39.62	85%
January	306.85	279.23	-27.62	91%
February	297.42	243.30	-54.12	82%
March	292.22	217.02	-75.20	74%
April	324.27	230.06	-94.21	71%
May	380.37	287.99	-92.38	76%
June	418.47	326.70	-91.77	78%
July	373.18	261.55	-111.63	70%
<i>Averages</i>	<i>318.91</i>	<i>248.50</i>	<i>-70.40</i>	<i>78%</i>

Canola Oil Sales

Historical Canola Oil Basis Values

RBD Canola Oil Price Source: USDA Oil Crops Outlook August 13, 2009.
Assumption -- Refined canola oil typically trades at a 10% premium to crude.

Year	Average CBOT Soy Oil Price	Canola RBD Price	CBOT/Canola RBD Delta or Basis	Canola RBD Price Minus 10%	Crude Canola Oil Basis
October-07	\$0.4049	\$0.5038	\$0.0989	\$0.4534	\$0.0485
November-07	\$0.4555	\$0.5730	\$0.1175	\$0.5157	\$0.0602
December-07	\$0.4754	\$0.6150	\$0.1396	\$0.5535	\$0.0781
January-08	\$0.5245	\$0.6494	\$0.1249	\$0.5845	\$0.0600
February-08	\$0.5831	\$0.7180	\$0.1349	\$0.6462	\$0.0631
March-08	\$0.5975	\$0.7056	\$0.1081	\$0.6350	\$0.0375
April-08	\$0.5816	\$0.7138	\$0.1322	\$0.6424	\$0.0608
May-08	\$0.6026	\$0.7305	\$0.1279	\$0.6575	\$0.0548
June-08	\$0.6425	\$0.7669	\$0.1244	\$0.6902	\$0.0477
July-08	\$0.6207	\$0.7413	\$0.1206	\$0.6672	\$0.0464
August-08	\$0.5333	\$0.6105	\$0.0772	\$0.5495	\$0.0162
September-08	\$0.4827	\$0.5488	\$0.0661	\$0.4939	\$0.0112
October-08	\$0.3714	\$0.4285	\$0.0572	\$0.3857	\$0.0143
November-08	\$0.3380	\$0.3982	\$0.0603	\$0.3584	\$0.0204
December-08	\$0.3086	\$0.3719	\$0.0633	\$0.3347	\$0.0261
January-09	\$0.3417	\$0.3880	\$0.0464	\$0.3492	\$0.0076
February-09	\$0.3186	\$0.3566	\$0.0381	\$0.3209	\$0.0024
March-09	\$0.3142	\$0.3538	\$0.0396	\$0.3184	\$0.0042
April-09	\$0.3559	\$0.3975	\$0.0417	\$0.3578	\$0.0019
May-09	\$0.3843	\$0.4150	\$0.0307	\$0.3735	-\$0.0108
June-09	\$0.3767	\$0.4238	\$0.0471	\$0.3814	\$0.0047
July-09	\$0.3420	\$0.3980	\$0.0561	\$0.3582	\$0.0163
		Average	\$0.0842	Average	\$0.0305

RBD Canola Oil Price Source: USDA Oil Crops Outlook August 13, 2009.
Assumption -- Refined canola oil typically trades at a 10% premium to crude.

Year	Average CBOT Soy Oil Price	Canola RBD Price	CBOT/Canola RBD Delta or Basis	Canola RBD Price Minus 10%	Crude Canola Oil Basis
1998/99	\$0.1778	\$0.2248	\$0.0470	\$0.2023	\$0.0246
1999/00	\$0.1599	\$0.1711	\$0.0112	\$0.1540	-\$0.0059
2000/01	\$0.1576	\$0.1756	\$0.0180	\$0.1580	\$0.0005
2001/02	\$0.1871	\$0.2345	\$0.0474	\$0.2111	\$0.0239
2002/03	\$0.2260	\$0.2975	\$0.0715	\$0.2678	\$0.0417
2003/04	\$0.2649	\$0.3376	\$0.0728	\$0.3038	\$0.0390
2004/05	\$0.2251	\$0.3078	\$0.0827	\$0.2770	\$0.0519
2005/06	\$0.2526	\$0.3100	\$0.0574	\$0.2790	\$0.0264
2006/07	\$0.3685	\$0.4057	\$0.0372	\$0.3651	-\$0.0034
2007/08	\$0.5149	\$0.6564	\$0.1415	\$0.5908	\$0.0758
		Average	\$0.0587	Average	\$0.0275

Market Information

Canola Opportunities & Highlights from the Past Feb 2008 to Jan 2009 – Crushing Canola

Meal Markets

Meal Produced – 141 tons per day, 4,091 tons per mo, 49,092 tons per yr
– Aug 08, shipped 4,581 tons operating at 95.9%

[Redacted]

[Redacted]

[Redacted]

[Redacted]

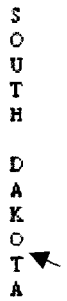
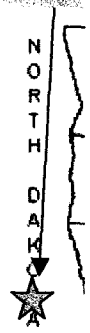
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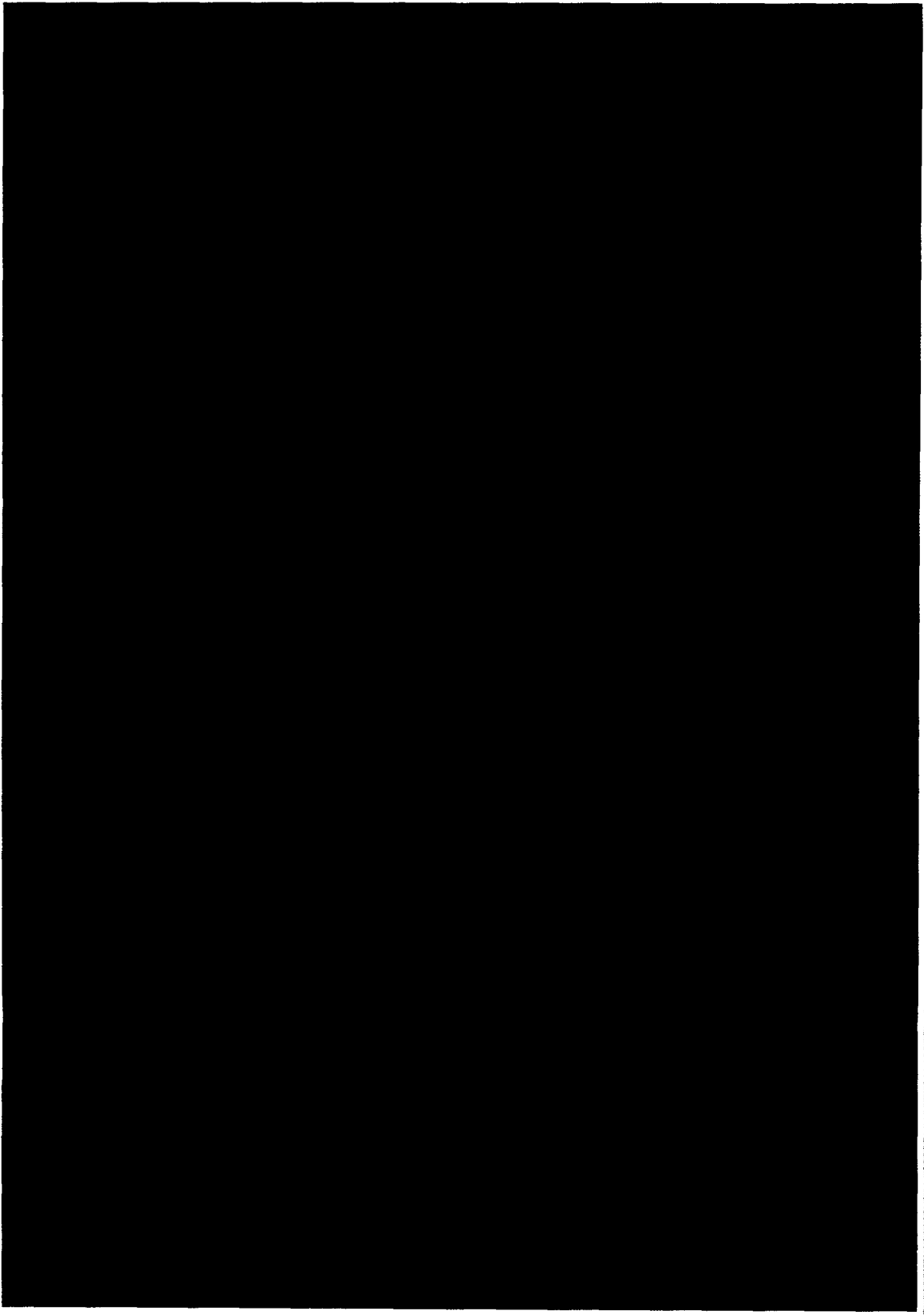
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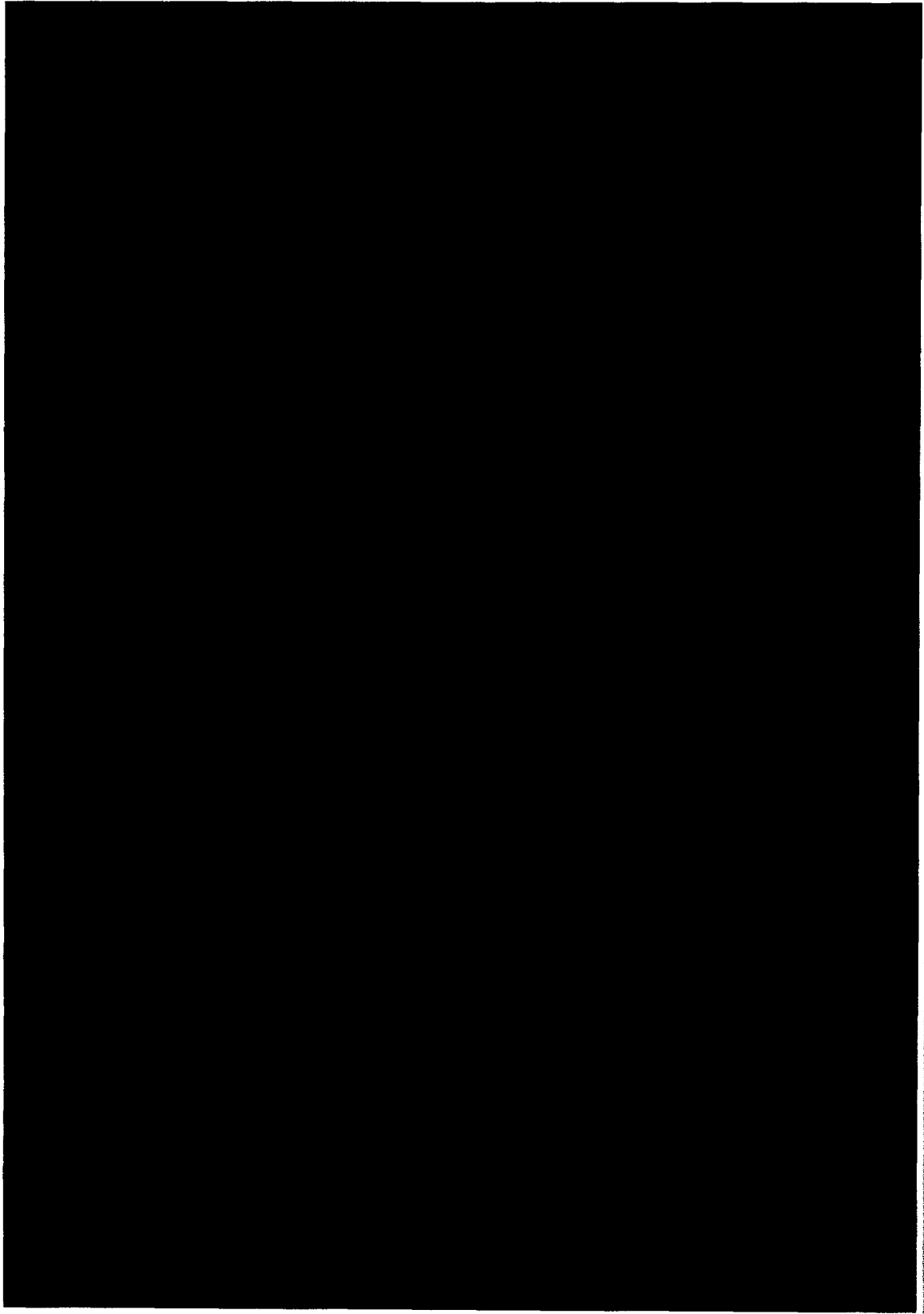
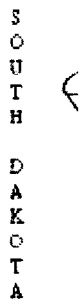
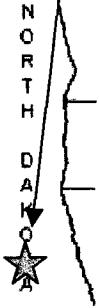
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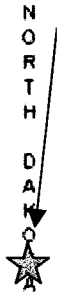
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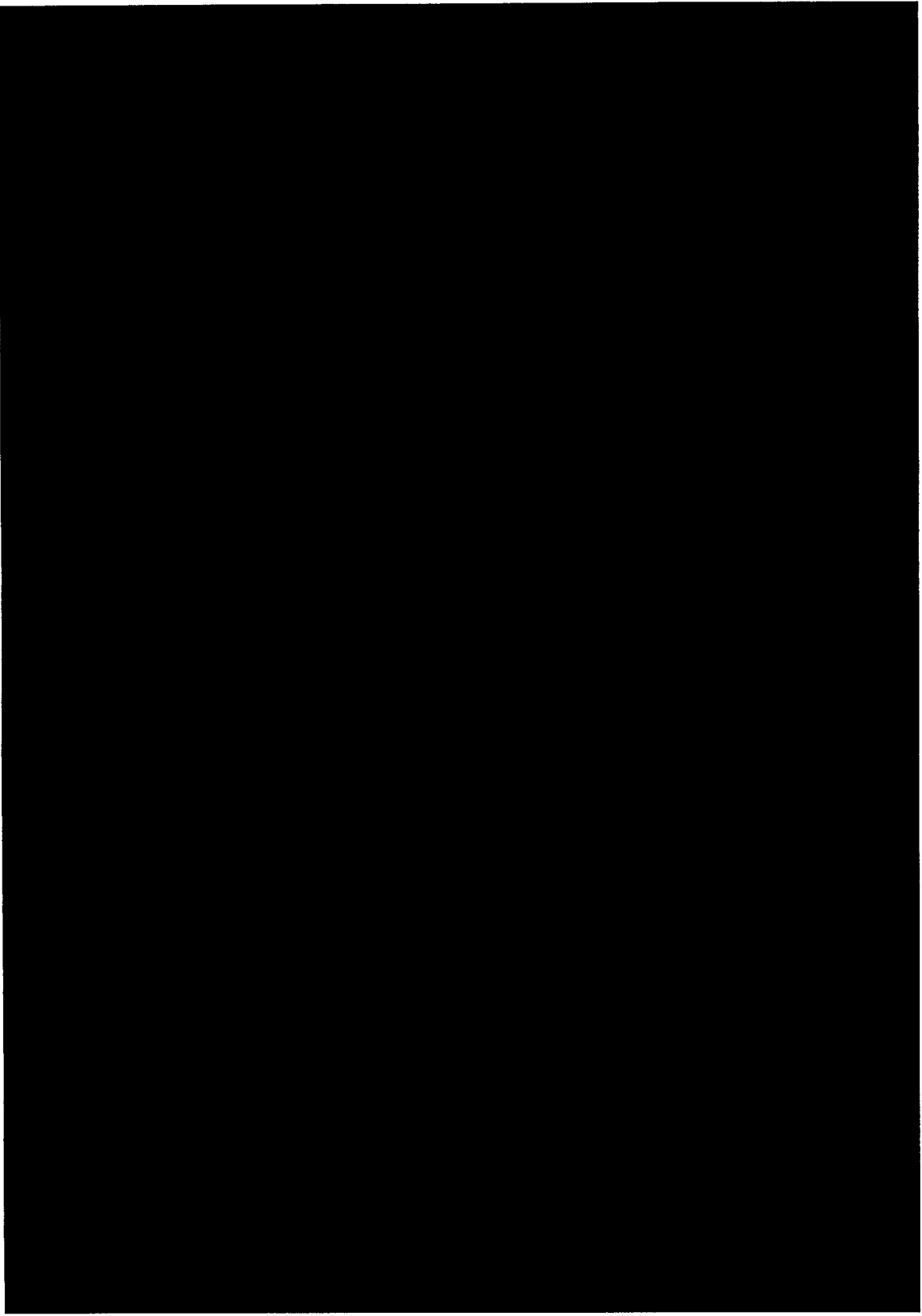




North D



SOUTH
DAKOTA



Superior amino acid protein is suited for milk production

Oil Markets

Oil Produced –169,269 lbs per day, 4,908,800 lbs per mo, 58,905,600 lbs per yr



Projections

The comments below are the result of calculations on the effect of the additional crushing capacity coming online in Canada. This is based on the current system capacity and the current utilization rates along with the current exports of meal and oil to the USA.

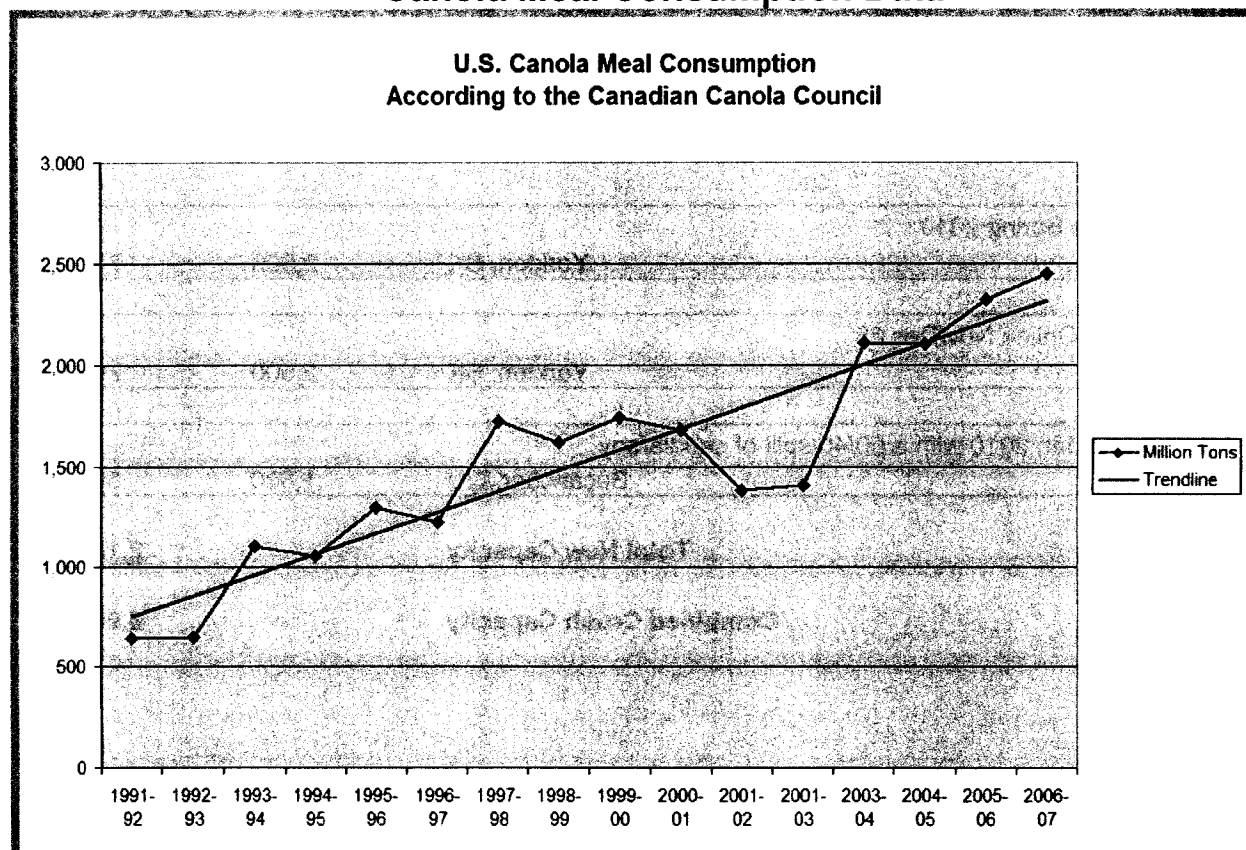
Current capacity is listed at about 4.7 MMT and that is projected to 6.9 MMT by 2011. The current plant utilization is very high at 97.9%. The seven year average plant capacity utilization is 81.7% ranging from a low of 53.7% in 2002 to the current (97.9%) record high.

If meal exports follow the current trend line going forward, exports will increase from about 2454 MMT to about 2937 MMT by 2011. In order to match the additional meal demand compared to the new capacity, plants would have to reduce utilization down to 82%.

Again, if oil exports follow the current trend lines, with the new capacity coming online, plant utilization would have to decrease to 77%.

If Canada implements the new renewable fuels mandate, canola oil consumption there will increase dramatically. Based on the 2% inclusion by 2012, that will required an additional 474 MMT of canola oil. If you add that new demand to the projected oil exports to the US, that pushes the Canadian canola crush capacity utilization back up to about 94%.

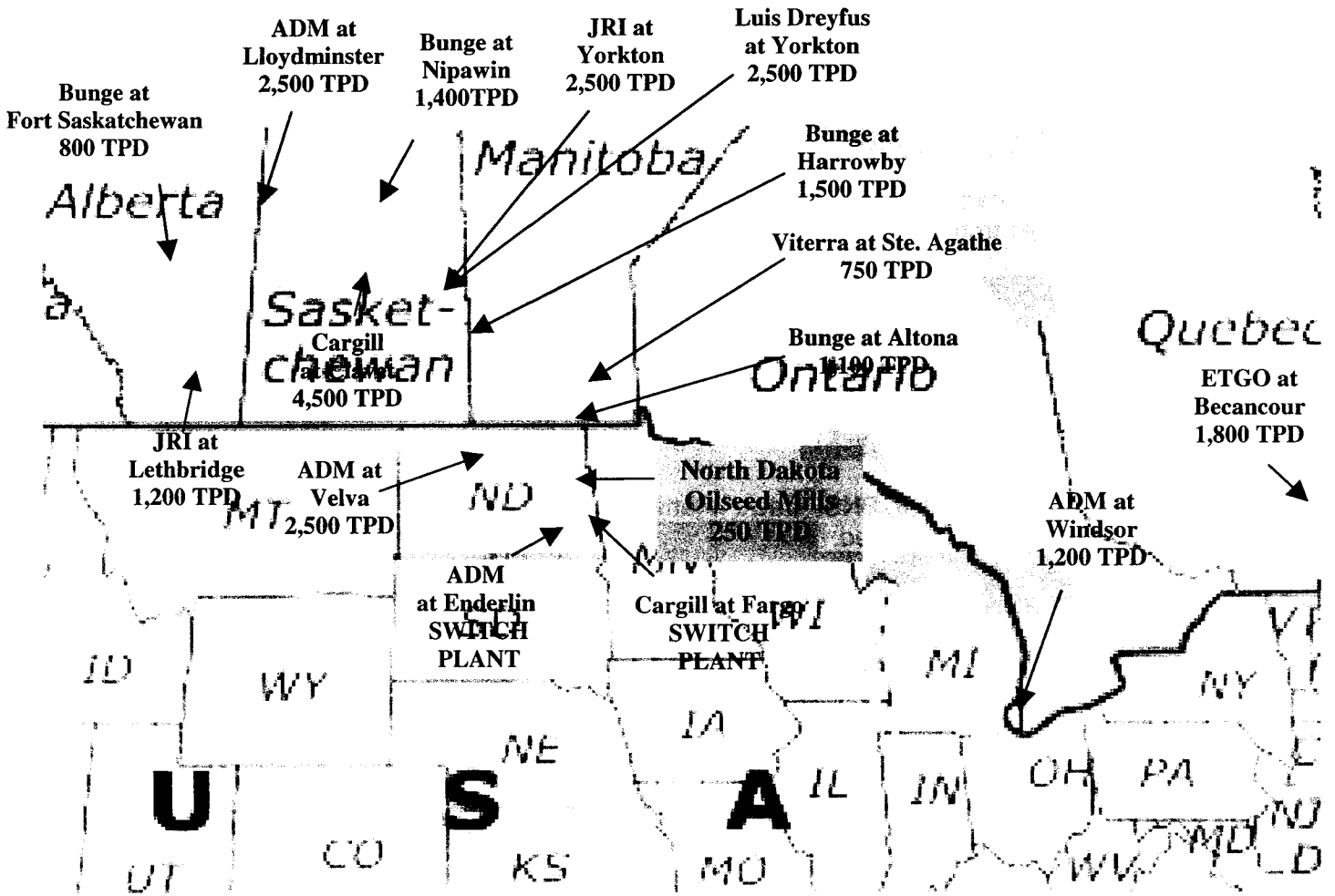
Canola Meal Consumption Data



Canadian Crushing Capacity

Existing Crush Capacity		Daily Capacity	Annual Capacity	
		Metric Tons	Metric Tons	
ADM	Windsor, ON	1,200	379,440	
	Lloydminster, AB	2,500	790,500	
Bunge	Altona, MB	1,100	347,820	
	Harrowby, MB	1,500	474,300	
	Nipawin, SK	1,400	442,680	
	Fort Saskatchewan, AB	800	252,960	
	Hamilton, On -- Currently crushing soybeans			
Cargill	Clavet, SK	4,500	1,422,900	
JRI	Lethbridge, AB	1,300	411,060	
Viterra	Ste. Agathe, MB	750	237,150	
Total Existing Capacity			4,758,810	
New Capacity				
JRI -- Online late Spring 2010		Yorkton, SK	2,500	790,500
Luis Dreyfus -- Online Nov/Dec 09		Yorkton, SK	2,500	790,500
ETGO -- Online Jan 2010 with a 60/40 split of canola/soy		Becancour, QU	1,800	569,160
Total New Capacity			<u>2,150,160</u>	
Combined Crush Capacity			6,908,970	

North American Canola Crushers



Transportation

NDOM is located next to ND highways 15 (runs east & west) and 18 (runs north and south), only 16 miles from US Highway 2, and just 25 miles from interstate I-29.

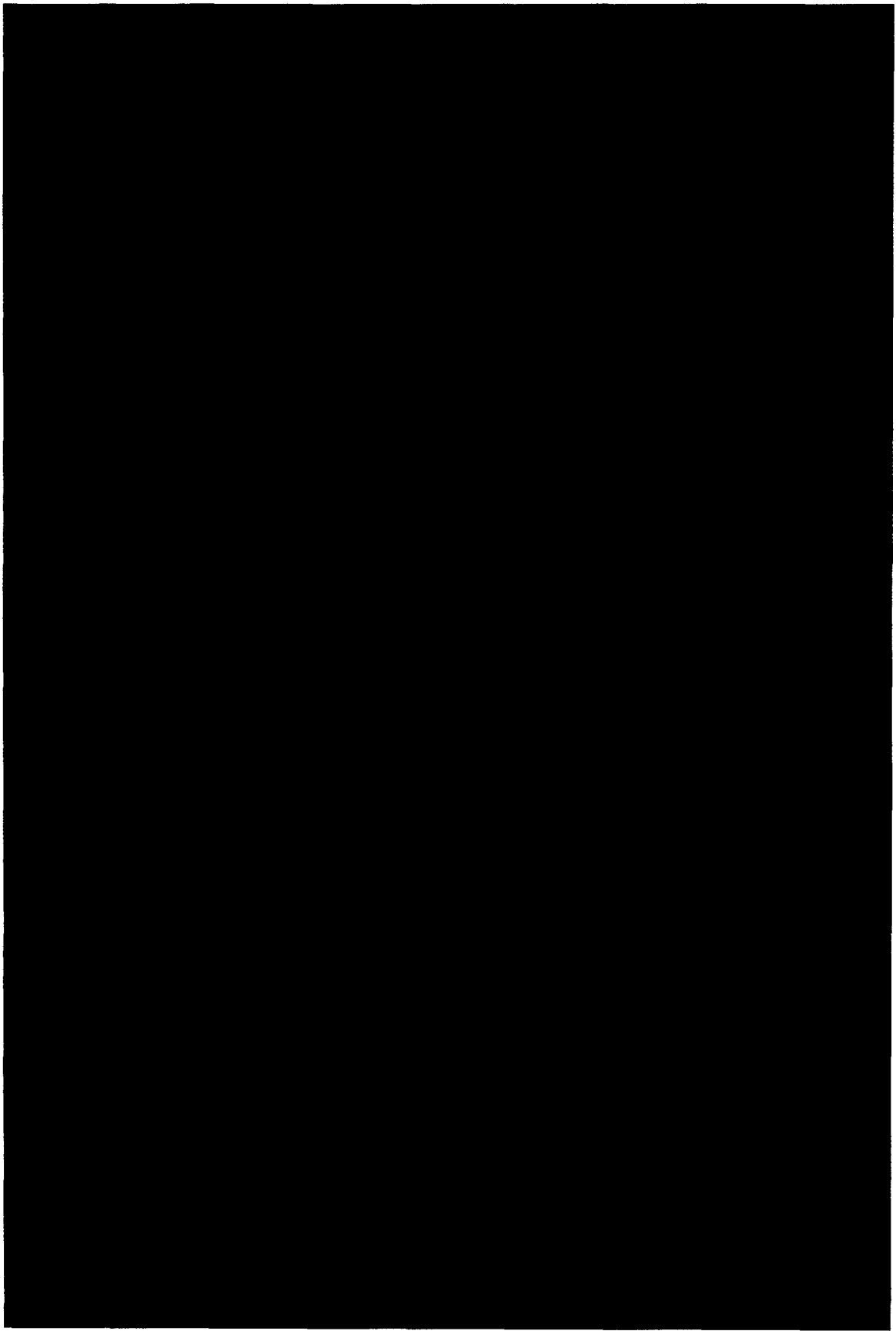


The plant is adjacent to BNSF track. Plans for a 30-car spur have been assembled and quotes have been obtained.



Margins

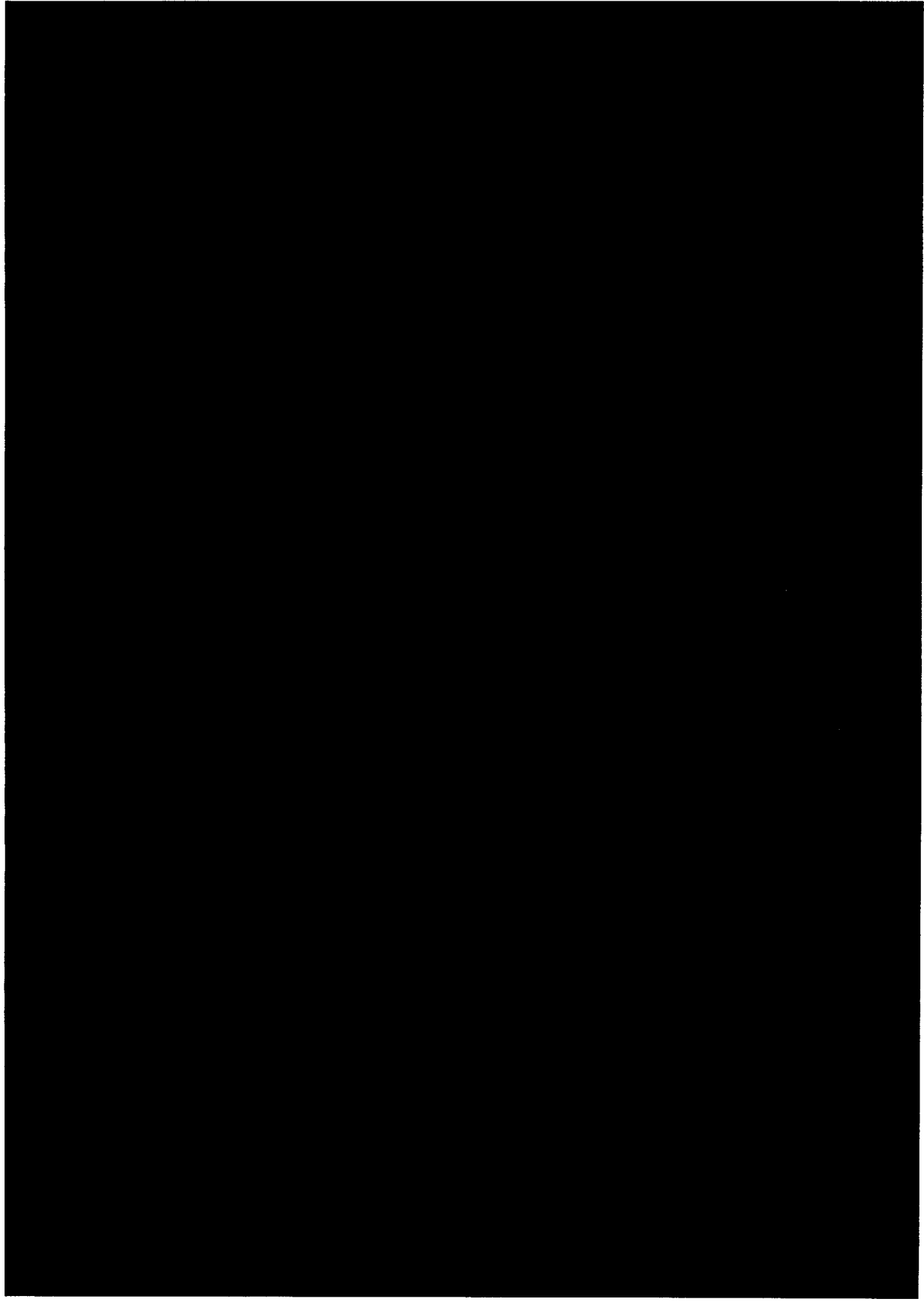
Canola Board Crush



Expeller Crush Margins

Expeller

Crush Margins at Close (All Data)



Soybeans

Soybean Inputs

Soybean Supply

North Dakota planted roughly 4,050,000 acres of soybeans in 2009. NDOM would crush 2,727,200 bushels per yr, or 2% of the state's soybean production.

Soybean Basis

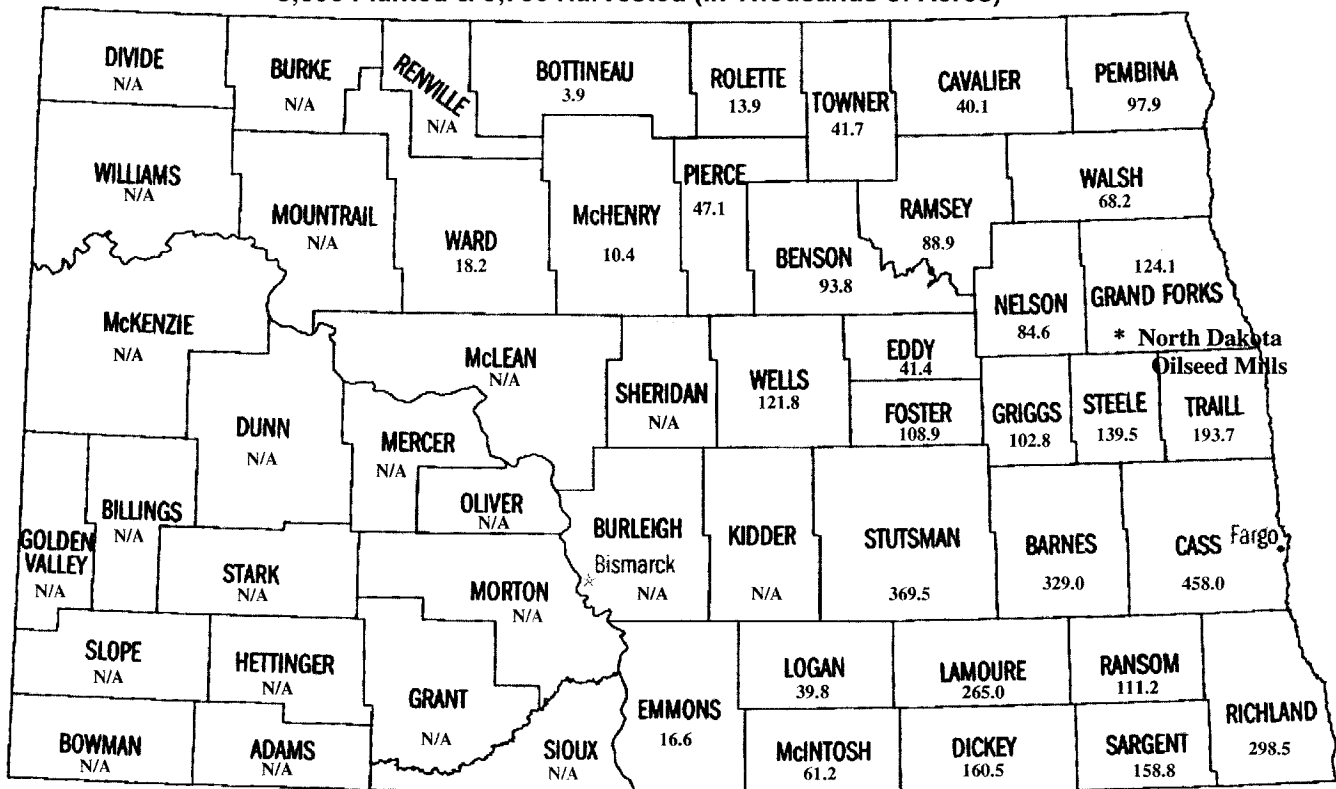
According to Kent Gronlie, the past president of the United Soybean Board and a local producer, local soybean bids for the past 10 years have averaged about \$.70 under CBOT.

Specialty Soybeans

Non-GMO soybeans in North Dakota represent 8-10% of the total soybean acreage, roughly 300,000 to 400,000 acres for 2009. 80-90% of these acres are contracted with a processor. Typical premium for non-GMO soybeans is between \$.95-1.20 over normal elevator bids.

ND Soybean Acres Harvested in 2008

3,800 Planted & 3,760 Harvested (In Thousands of Acres)



Combined Counties: Northwest – 2.3; Central – 33.4; South Central – 10.6; Combined Districts – 4.7

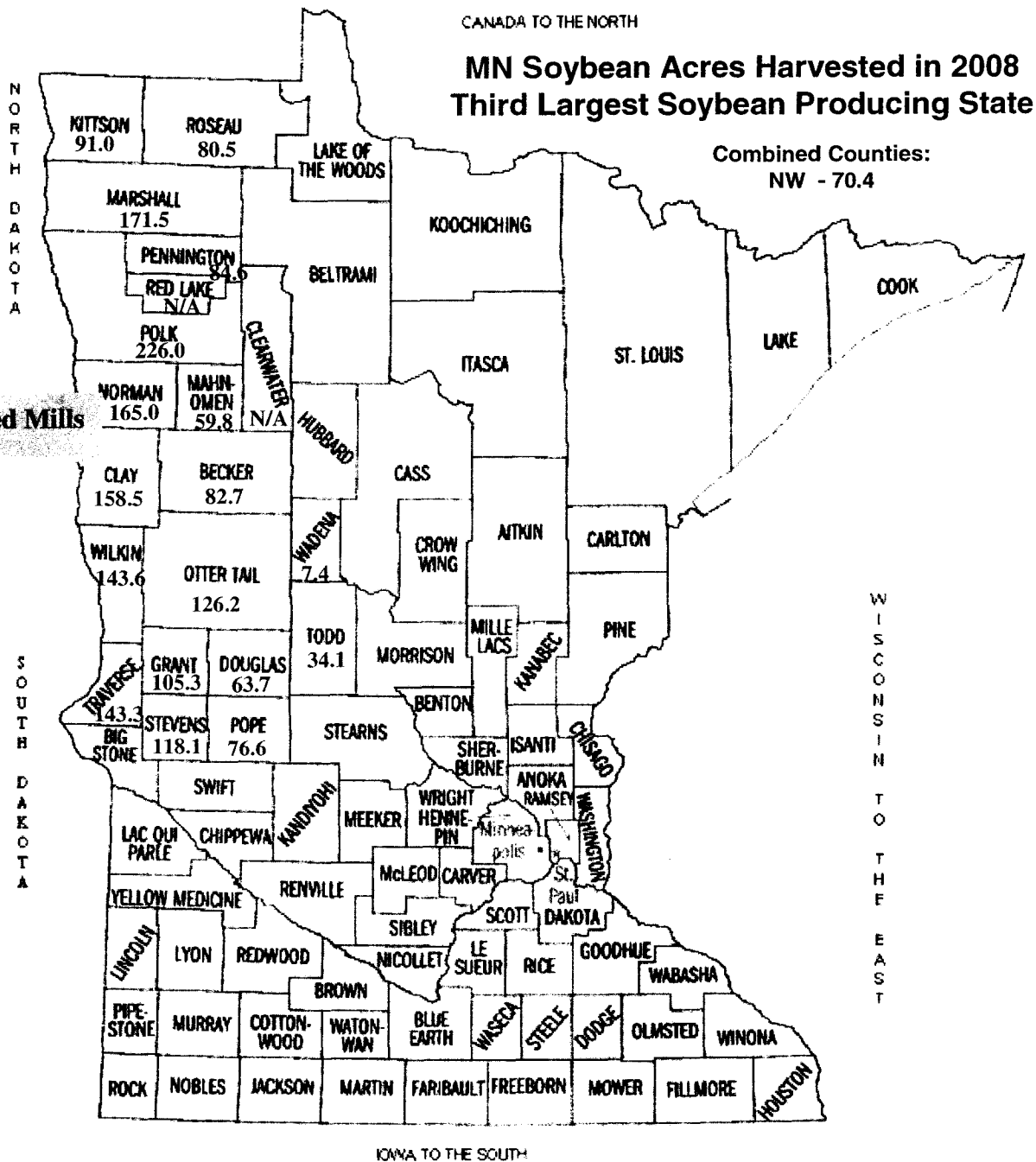


Soybeans: Area Planted and Harvested, Yield and Production, North Dakota by County, 2008¹

District and County	Area Planted	Area Harvested	Yield per Acre	Production
	Acre	Acre	Bushels	Bushels
Burke				
Divide				
Mountrail				
Renville				
Ward	18,300	18,200	29.0	524,000
Williams				
Combined Counties	2,500	2,300	28.5	66,000
Northwest	20,800	20,500	29.0	590,000
Benson	95,000	93,800	26.0	2,442,000
Bottineau	4,000	3,900	21.0	81,000
McHenry	10,500	10,400	24.0	248,000
Pierce	47,500	47,100	24.5	1,158,000
Rolette	14,000	13,900	24.5	341,000
Combined Counties				
North Central	171,000	169,100	25.5	4,270,000
Cavalier	44,000	40,100	25.0	995,000
Grand Forks	125,000	124,100	26.0	3,244,000
Nelson	86,000	84,600	22.0	1,850,000
Pembina	101,000	97,900	29.0	2,857,000
Ramsey	92,000	88,900	24.5	2,165,000
Towner	42,000	41,700	26.0	1,086,000
Walsh	70,000	68,200	28.0	1,913,000
Combined Counties				
Northwest	560,000	545,500	26.0	14,110,000
Dunn				
McKenzie				
McLean				
Mercer				
Oliver				
Combined Counties				
West Central				
Eddy	42,000	41,400	24.5	1,019,000
Foster	110,000	108,900	24.5	2,650,000
Kidder				
Sheridan				
Stutsman	372,000	369,500	27.5	10,156,000
Wells	122,000	121,800	25.5	3,132,000
Combined Counties	34,000	33,400	21.0	703,000
Central	680,000	675,000	26.0	17,660,000
Barnes	330,000	329,000	28.0	9,149,000
Cass	462,000	458,000	32.5	14,812,000
Griggs	103,000	102,800	24.0	2,485,000
Steele	141,000	139,500	27.0	3,744,000
Trail	194,000	193,700	29.0	5,660,000
Combined Counties				
East Central	1,230,000	1,223,000	29.5	35,850,000
Adams				
Billings				
Bowman				
Golden Valley				
Hettinger				
Slope				
Stark				
Combined Counties				
Southeast				
Burleigh				
Emmons	17,000	16,600	21.5	355,000
Grant				
Morton				
Sioux				
Combined Counties	11,000	10,600	16.5	175,000
South Central	28,000	27,200	19.5	530,000
Dickey	161,000	160,500	32.0	5,170,000
Lambert	266,000	265,000	26.5	7,022,000
Logan	40,000	39,800	21.5	855,000
McIntosh	62,000	61,200	22.5	1,380,000
Ransom	112,000	111,200	30.5	3,374,000
Richland	305,000	298,500	33.0	9,778,000
Sargent	159,000	158,800	29.0	4,600,000
Combined Counties				
Southeast	1,105,000	1,095,000	29.5	32,180,000
Combined Districts	5,200	4,700	19.0	90,000
State Total	3,800,000	3,760,000	28.0	105,280,000

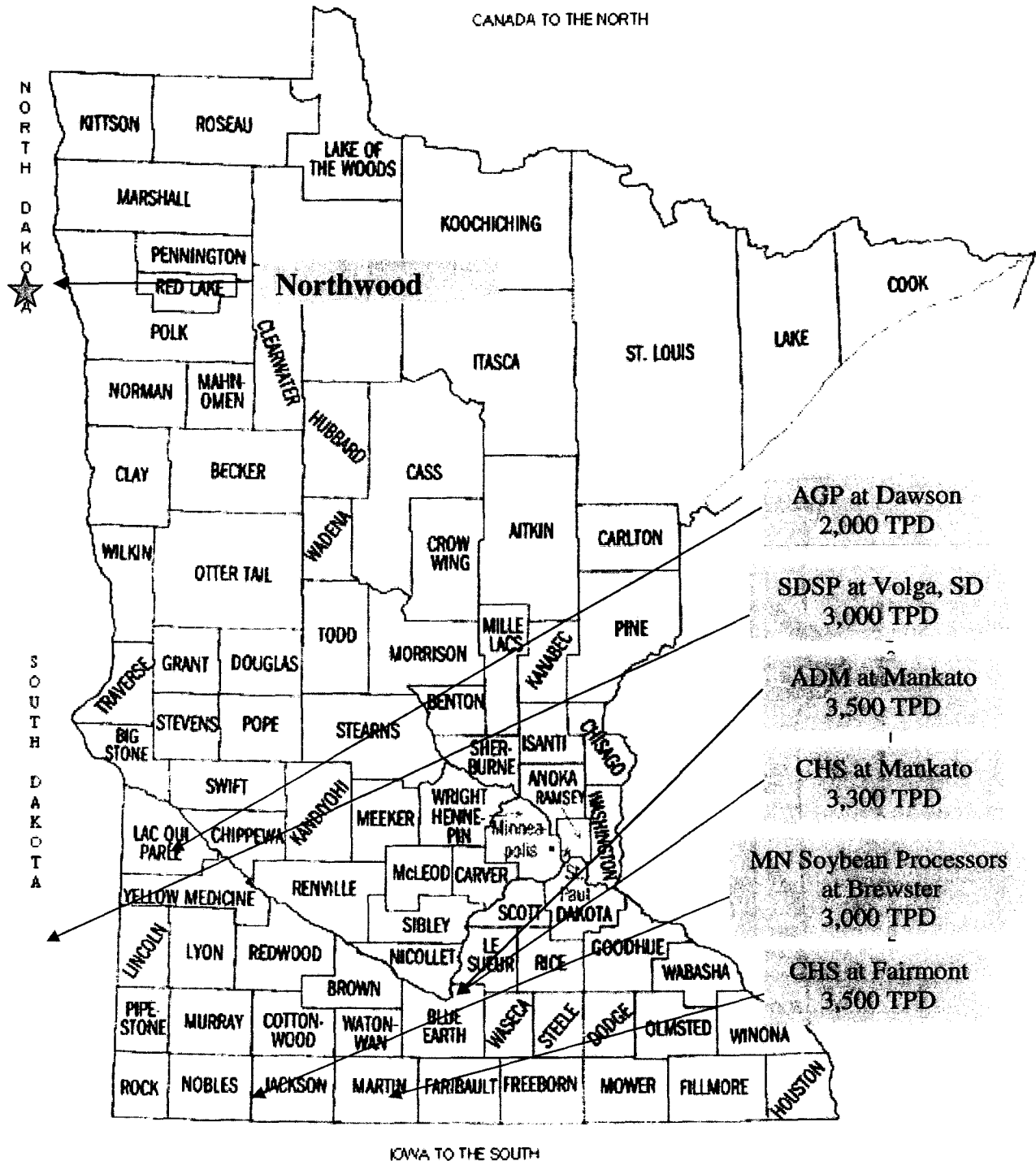
¹ Data published in combined counties or districts to avoid disclosure of individual operations or due to lack of adequate coverage in affected counties.

MN Soybean Production



North Dakota Oilseed Mills

Soybean Crushers



Plant Capacities and Efficiencies

Soybeans

Crushed in Bushels

7,800 per day, 227,300 per mo, 2,727,200 per yr

Meal Produced in Tons

183 per day, 5,318 per mo, 63,816 per yr

Typical Meal Analysis

- Crude Protein – 43.83%
- Crude Fat – 8.04%
- Moisture – 5.43%

Guaranteed Meal Analysis

With hulls included

- Crude Protein – 42% Minimum
- Crude Fat – 6% Minimum
- Crude Fiber – 7.5% Maximum
- Moisture – 12% Maximum

Without hulls

- Crude Protein – 44% Minimum
- Crude Fat – 6% Minimum
- Crude Fiber – 4% Maximum
- Moisture – 12% Maximum

Oil Produced in Pounds

56,000 per day, 1,622,700 per mo, 19,472,000 per yr

Typical Oil Analysis

- Free Fatty Acids (FFA) – .22% by mass
- Moisture & Volatile Matter – 0.32% by mass
- Phosphorus Content – .02%
- Unsaponifiable Matter – .33%

Guaranteed Oil Analysis

- Free Fatty Acids (FFA) – .75% by mass – maximum
- Moisture & Volatile Matter – 0.3% by mass – maximum
- Phosphorus Content – .02% by mass – maximum
- Unsaponifiable Matter – .30% by mass – maximum
- Flash Point – 250 degrees Fahrenheit – minimum

Market Information

Soybean Highlights

Jul 2007 to Jan 2008 – Crushing Soybeans

Meal Markets

Produced 6,948 tons of meal from Jul 2007 to Jan of 2008

[REDACTED]

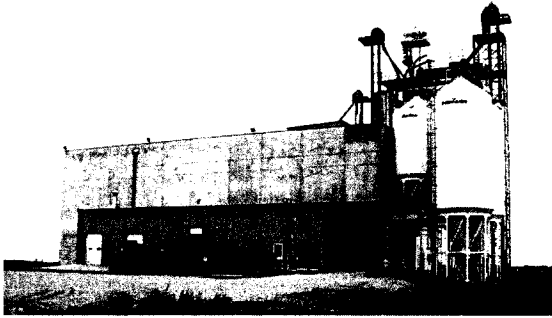
Oil Markets

Produced 2,006,000 lbs of oil from Jul 2007 to Jan of 2008

[REDACTED]

Facility Summary

Location: Northwood, North Dakota approximately 35 miles southwest of Grand Forks. City of about 1,000 residents surrounded by premium agricultural production.



Plant Site: 40 acres of land about 1 mile from city center adjacent to BNSF railway; located on ND Hwy #15 and is near US Hwy #2, Interstate 29, and ND Hwy #18.

Plant Construction: Main structure is concrete tilt-up, 150' X 60' X 40' with second floor throughout most of the structure. Steel frame office/shop/control room 100' X 40' attachment and seed preparation tower 28' X 25' X 60'.

Construction Date: Completed November 2007

Storage Capacity: 50,000 bushel receiving, 50,000 gal oil, 550-ton meal, 200-ton screenings

Crushing Capacity: Soybeans- 250 t/day, Canola- 275 t/day

Equipment Suppliers:

Seed Preparation- Crown Iron Works warm dehulling and Vertical Seed Conditioner
Roskamp Champion roller mills
Jacobson hammermill and Kice hulls handling system
Extruders- Wenger 600 hp UPC 15 extruders
Krupp (HF) Expellers- EP 16 200 hp expellers
Geelen Counterflow Cooler
Westfalia CA 365 decanter
Westfalia RSA 80 centrifuge

Scale: 100' scale



The plant has a fully integrated control system. Typical operating staff is 3 people/shift and plant is run on a continuous 24/7 basis. With recent improvements to the plant, multiple oilseeds can be used as feedstock with minor configuration changes. To date, soybeans and canola have been crushed.

This information includes forward-looking financial data that involves a number of risks and uncertainties inherent in its preparation. The information that relates to future events or future performance reflects management's current expectations and assumptions. A number of factors could cause actual events, performance or results to differ materially from this document, such as the economy in general, the demand for products, the availability of funding, and the anticipated costs of operation. This information is given as of the date hereof and North Dakota Oilseed Mills LLC does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from North Dakota Oilseed Mills' expectations and projections.

North Dakota Oilseed Mills, LLC
Cash Projections - Lease Option
Revised 7/8/10

This information includes forward-looking financial data that involves a number of risks and uncertainties inherent in its preparation. The information that relates to future events or future performance reflects management's current expectations and assumptions. A number of factors could cause actual events, performance or results to differ materially from this document, such as the economy in general, the demand for products, the availability of funding, and the anticipated costs of operation. This information is given as of the date hereof and North Dakota Oilseed Mills LLC (NDOM) does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from NDOMs' expectations and projections.

Assumptions:

Funding:

Capacity:

250 tons per day; 85% capacity

Operations of 24/7

Fifteen (15) days of down time throughout the year are accounted for in our projected capacity.

Factors:

Conversions:

Canola is measured in hundred weight (CWT), bushels or tons

One bushel of canola weighs 50 pounds

One ton of canola is 2000 pounds or 40 bushels

Meal is measured and sold in tons

Oil is measured in Gallons, but sold in pounds

One gallon of oil weighs approximately 7.6 pounds

Hulls are mixed in with the meal at sale

Sales Prices:

Rates are as of current Chicago Board of Trade (CBOT) and related contracted rates

See Inputs for current sales prices on Canola meal and oil

See Inputs for current purchase price on Canola

CBOT and Winnipeg Commodities Exchange (WCE) futures prices are used

Basis numbers are based on historical values seen at NWM and and current applicable markets

Expenses:

Labor includes 24/7 labor obligation - includes 20% for ER expenses and BCBS premium amount

Insurance is actual amount quoted for July 2007-June 2008 policy year; estimated for 2008

Communication expense was dramatically revised down from projections based on our current expected usage

Repairs & Maintenance are similar to projections

Misc./Advertising/Office Supplies/Etc. are estimated based on what is currently being seen, plus a contingency for other expenses of approx. 10%

Taxes:

As an LLC - no taxes are estimated or accounted for since all income/loss flows to partners via K-1 and therefore, tax will be paid by the partners. Prior period passive losses will offset for the time period shown in this projection instrument.

**North Dakota Olseid Mills, LLC
Inputs Worksheet**

This information includes forward-looking financial data that involves a number of risks and uncertainties inherent in its preparation. The information that relates to future events or future performance reflects management's current expectations and assumptions. A number of factors could cause actual events, performance or results to differ materially from this document, such as the economy in general, the demand for products, the availability of funding, and the anticipated costs of operation. This information is given as of the date hereof and North Dakota Olseid Mills LLC (NDOM) does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from NDOM's expectations and projections.

New Cash Investment:

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5		
\$ 3,000,000 LOC Availability																												
Debt	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	\$ 0.3935	

Canola Oil

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5		
Future Month	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	
CROT - Soybean Oil	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	
Basis for Canola	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	
Net to NWM (per pound)																												
Per ton																												

Canola Meal

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5		
Future Month	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	\$ 292.30	
CROT - Soybean Meal	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	
Factor between soy and canola meal	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	
Net to NWM (per ton)																												

Raw Canola

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5		
Future Month	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	\$ 379.40	
CROT - Soybean Oil	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	0.6965	
Basis in CDN/ton	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	1.1023	
Exchange Rate																												
Tonne to ton conversion																												
Price to NWM (per Bushel)																												
Per CWT																												
Per Ton																												

Factors for Crushing:

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5		
Yields	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	
Meal	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	
Oil	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Shrink																												

GP Estimate

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5	
Minimum Capacity	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Tons/Day	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
Days/Year	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	
Tons/Month	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	
Cap Used	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%

Expected Capacity

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5	
Tons/Day	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213
Days/Year	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
Tons/Hr	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65
Tons/Month	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	6,464	

Cash (liquidity) Factors:

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5	
AR Turn (Meal)	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days
AR Turn (Oil)	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days
AP Turn (Commodities)	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days
AP Turn (OHS)	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days	Days

LOC Interest Rate

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Year 3	Year 4	Year 5	
Inflation adjustment for OHS	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

**North Dakota Oilseed Mills, LLC
Summary Financial Statements**

Balance Sheet

As of end of periods indicated

	<u>Proforma</u> <u>Beg. Bal.</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ASSETS						
Cash						
A/R						
Inventory						
Total Current Assets						
Other Non-Current						
Total Non-Current Assets						
Fixed Assets						
Accumulated Depreciation						
Net Fixed Assets						
Total Assets						
LIABILITIES						
Accounts Payable						
Other Payables						
Total Current Liabilities						
LOC						
Total Loans Payable						
Total Liabilities						
EQUITY						
Retained Earnings (Deficit)						
Membership Units						
Accumulated Dividends Distributed						
Total Equity						
Total Liabilities & Equity						

**Profit & Loss Statement
For Years as Indicated**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Sales					
Cost of Sales					
Gross Profit					
%					
Operating Expenses					
Interest					
Depreciation/Amortization					
Net Income					

This information includes forward-looking financial data that involves a number of risks and uncertainties inherent in its preparation. The information that relates to future events or future performance reflects management's current expectations and assumptions. A number of factors could cause actual events, performance or results to differ materially from this document, such as the economy in general, the demand for products, the availability of funding, and the anticipated costs of operation. This information is given as of the date hereof and North Dakota Oilseed Mills LLC (NDOM) does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from NDOMs' expectations and projections.

CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT, dated as of June 22, 2010, is made by and among NORTH DAKOTA OILSEED MILLS LLC, a North Dakota limited liability company (the "Borrower") and SODRUGESTVO, B.V., a private company with limited liability organized under the laws of the Netherlands (the "Lender").

Background of the Credit Agreement

Borrower was formed with Lender and NORTHWOOD MILLS, LLLP ("Northwood Mills") as its members with each making nominal capital contributions with Northwood Mills agreeing to lease to Borrower the site and equipment used to operate a processing mill previously operated by Northwood Mills located at 530 35th Street, Northwood, North Dakota (the "Mill Property") pursuant to the terms of a lease of even date herewith (the "Mill Lease");

Northwood Mills has obligations due to AMERICAN FEDERAL BANK (the "Mortgagee") which are secured by mortgages and security interests in the Mill Property; and

Lender has agreed to extend credit to Borrower, or to facilitate such credit through a third party lender, subject to the execution of this Agreement by Borrower and the execution of an Attornment Agreement (the "Attornment Agreement") and other agreements by the Mortgagee which recognizes among other things, the rights of the Borrower to obtain the benefits of the Mill Lease, including the exercise of an option to purchase the Mill Property.

NOW THEREFORE, the Borrower and the Lender hereby agree as follows:

ARTICLE I

Definitions

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms set forth below have the meanings assigned to them in this Section 1.1, and include the plural as well as the singular; and
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with U.S. generally accepted accounting principals ("GAAP").

"Accounts" means all of the Borrower's accounts, as such term is defined in the UCC, including without limitation the aggregate unpaid obligations of customers and other account debtors to the Borrower arising out of the sale or lease of goods or rendition of services by the Borrower on an open account or deferred payment basis.

"Advance" or "Advances" means an advance or advances of money by Lender to Borrower under this Agreement.

loan or credit agreement or guaranty between the Borrower and the Lender, whether now in effect or hereafter entered into.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Subsidiary" means any corporation or other business entity of which more than 50% of the outstanding shares of capital stock or other ownership interest having general voting power under ordinary circumstances to elect a majority of the board of directors or other governing board of such corporation or other business entity, irrespective of whether or not at the time stock or other ownership interest of any other class or classes shall have or might have voting power by reason of the happening of any contingency, is at the time directly or indirectly owned by Borrower, by Borrower and one or more other Subsidiaries of Borrower, or by one or more other Subsidiaries of Borrower.

"Substitute Lender" means a financial institution or other entity other than Sodrugestvo with the financial capability to assume Lenders obligations to make the Advances provided for hereunder.

"UCC" means the Uniform Commercial Code as in effect from time to time in the state designated in Section 9.9 as the state whose laws shall govern this Agreement, or in any other state whose laws are held to govern this Agreement or any portion hereof.

Section 1.2 Cross References. All references in this Agreement to Articles, Sections and subsections, shall be to Articles, Sections and subsections of this Agreement unless otherwise explicitly specified.

ARTICLE II

Amount and Terms of the Credit Facility

Section 2.1 Advances. The Lender agrees, on the terms and subject to the conditions herein set forth, to make Advances to Borrower from time to time beginning within 40 days after the date hereof to the Maturity Date; however, the aggregate unpaid Advances shall not exceed [REDACTED] at any time. Within the limits set forth in this Section 2.1, Borrower may borrow, prepay and reborrow. Borrower agrees to comply with the following procedures in requesting Advances under this Section 2.1:

(a) Borrower shall make each request for an Advance to the Lender in writing or by telephone, specifying the date of the requested Advance and the amount thereof. Each request shall be by (i) any officer of Borrower; or (ii) any person designated by Borrower to Lender in a writing delivered to the Lender; or (iii) any person whom the Lender reasonably believes to be an officer of Borrower or such a designated agent.

(b) Upon fulfillment of the applicable conditions set forth in Article IV, the Lender may disburse the proceeds of the requested Advance by crediting the same

to Borrower's demand deposit account maintained for that purpose unless the Lender and Borrower shall agree in writing to another manner of disbursement. Upon the Lender's request, Borrower shall promptly confirm each telephonic request for an Advance by executing and delivering an appropriate written confirmation to the Lender. Borrower shall repay all Advances even if the Lender does not receive such confirmation and even if the person requesting an Advance was not in fact authorized to do so. Any request for an Advance, whether written or telephonic, shall be deemed to be a representation by Borrower that the conditions set forth in Section 4.2 have been satisfied as of the time of the request.

Section 2.2 Interest. Interest shall accrue on the Advance at the following rate.

- (a) Until [REDACTED] interest shall accrue at a fixed rate of interest equal to an annual rate of [REDACTED]
- (b) After [REDACTED] interest shall accrue at the Floating Rate.
- (c) No rate change shall be put into effect which would result in a rate greater than the highest rate permitted by law.

Section 2.3 Computation of Interest and Fees; When Interest Due and Payable. Interest accruing on the outstanding principal balance of the Advances hereunder outstanding from time to time shall be computed on the basis of actual number of days elapsed in a year of 360 days. Interest as shall have accrued shall be payable on the fifteenth day of each month commencing on the fifteenth day of the month following the first advance of funds.

Section 2.4 Voluntary Prepayment. Borrower may prepay the Advances.

Section 2.5 Maturity. Without notice or demand, the outstanding principal balance of the Advances shall be paid on the Maturity Date.

Section 2.6 Application of Payments. All payments to the Lender shall be made in immediately available funds and shall be first applied to the interest as shall have accrued on the Advances and then to the outstanding principal balance.

Section 2.7 Use of Proceeds. Borrower shall use the proceeds of the Advances only for ordinary working capital purposes.

Section 2.8 Liability Records. The Lender may maintain from time to time, at its discretion, liability records as to the Advances, accruals of interest and payments hereunder. All entries made on any such record shall be presumed correct until the Borrower establishes the contrary. Upon the Lender's demand, the Borrower will admit and certify in writing the exact balance of the Obligations that the Borrower then asserts to be outstanding. Any billing statement or accounting rendered by the Lender shall be conclusive and fully binding on the Borrower unless the Borrower gives the Lender specific written notice of exception within 30 days after receipt.

Section 2.9 Increase of Advances. At its discretion, which will be reasonably exercised, the Lender may increase the limitation as to the aggregate unpaid Advances which

may be outstanding from time to time from [REDACTED] to up to [REDACTED] at Borrower's request, provided that such request is reasonably based upon a significant increase in the price of agricultural commodities processed by Borrower, and provided that the Borrower has, at the time of the request, operated at a reasonable profit for the last fiscal year, and for the period of time extending from the end of the last fiscal year to the time of the request.

ARTICLE III

Security Interest

Section 3.1 Grant of Security Interest. The Borrower hereby pledges, assigns and grants to the Lender a security interest (the "Security Interest") in the Collateral, as security for the payment and performance of the Advances and the other Obligations of the Borrower hereunder.

Section 3.2 Notification of Account Debtors and Other Obligors. The Lender may at any time after a Default notify any account debtor or other person obligated to pay the amount due that such right to payment has been assigned or transferred to the Lender for security and shall be paid directly to the Lender. The Borrower will join in giving such notice if the Lender so requests. At any time after the Borrower or the Lender gives such notice to an account debtor or other obligor, the Lender may, but need not, in the Lender's name or in the name of any member of the Borrower, (a) demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, any such right to payment, or grant any extension to, make any compromise or settlement with or otherwise agree to waive, modify, amend or change the obligations (including collateral obligations) of any such account debtor or other obligor; and (b) as the Borrower's agent and attorney-in-fact, notify the United States Postal Service to change the address for delivery of the Borrower's mail to any address designated by the Lender, otherwise intercept the Borrower's mail, and receive, open and dispose of the Borrower's mail, applying all proceeds from the accounts receivable of the Borrower as permitted under this Agreement and holding all other mail for the Borrower's account or forwarding such mail to the Borrower's last known address.

Section 3.2 Assignment of Insurance. As additional security for the payment and performance of the Obligations, the Borrower hereby assigns to the Lender any and all monies (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of the Borrower with respect to, any and all policies of insurance now or at any time hereafter covering the Accounts and Inventory of the Borrower, and the Borrower hereby directs the issuer of any such policy to pay all such monies directly to the Lender. At any time, whether or not a default then exists, the Lender may (but need not), in the Lender's name or in the Borrower's name, execute and deliver proof of claim, receive all such monies, endorse checks and other instruments representing payment of such monies, and adjust, litigate, compromise or release any claim against the issuer of any such policy.

ARTICLE IV

Conditions of Lending

Conditions Precedent to the Advances. The Lender's obligation to make the Advances hereunder shall be subject to the following conditions precedent:

- (a) This Agreement, properly executed by the Borrower;
- (b) An Attachment Agreement, in a form acceptable to the Lender, which has been properly executed by the Mortgagee and the Borrower, shall remain in effect;
- (c) The representations and warranties contained in Article V shall be correct on and as of the date of such Advance as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date;
- (d) No event has occurred and is continuing, or would result from such Advance which constitutes a Default or an Event of Default; and
- (e) The Lender shall be reasonably satisfied with respect to the past operations and the prospects for future operations of the Borrower.

ARTICLE V

Representations and Warranties

The Borrower represents and warrants to the Lender as follows:

Section 5.1 Existence and Power. The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of North Dakota and is duly licensed or qualified to transact business in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary. The Borrower has all requisite power and authority to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under this Agreement.

Section 5.2 Authorization of Borrowing; No Conflict as to Law or Agreements. The execution, delivery and performance by the Borrower of this Agreement and the borrowings from time to time hereunder have been duly authorized by all necessary action and do not and will not (i) require any consent or approval of the members which has not been obtained as of the date hereof; (ii) require any authorization, consent or approval by, or registration, declaration or filing with, or notice to, any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or any third party, except such authorization, consent, approval, registration, declaration, filing or notice as has been obtained, accomplished or given prior to the date hereof; (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the

Borrower is a party or by which it or its properties may be bound or affected; or (iv) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature upon or with respect to any of the properties now owned or hereafter acquired by any member of the Borrower.

Section 5.3 Legal Agreements. This Agreement constitutes and, upon due execution by the Borrower, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms.

Section 5.4 Subsidiaries. The Borrower has no Subsidiaries.

Section 5.5 Litigation. There are no actions, suits or proceedings pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its Affiliates or the properties of the Borrower or any of its Affiliates before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to the Borrower or any of its Affiliates, would have a material adverse effect on the financial condition, properties or operations of the Borrower or any of its Affiliates.

ARTICLE VI

Borrower's Affirmative Covenants

So long as the Advances shall remain unpaid, the Borrower will comply with the following requirements, unless the Lender shall otherwise consent in writing:

Section 6.1 Reporting Requirements. The Borrower will deliver, or cause to be delivered, to the Lender each of the following, which shall be in form and detail acceptable to the Lender:

- (a) as soon as available, and in any event within 90 days after the end of each fiscal year of the Borrower, the Borrower's audited financial statements, which annual financial statements shall include the Borrower's balance sheet as at the end of such fiscal year and the related statements of the Borrower's income, retained earnings and cash flows for the fiscal year then ended, prepared, if the Lender so requests, on a consolidating and consolidated basis to include any Affiliates, all in reasonable detail and prepared in accordance with GAAP;
- (b) as soon as available and in any event within three days after the end of each week, a weekly production and sales report of Borrower as of the end of such week, in a form acceptable to and approved by the Lender;
- (c) as soon as available and in any event within 20 days after the end of each month, an unaudited/internal balance sheet and statements of income and retained earnings of the Borrower as at the end of and for such month and for the year to date period then ended, prepared, if the Lender so requests, on a consolidating and consolidated basis to include any Affiliates, in reasonable detail and stating in comparative form the figures for the corresponding date and periods in the previous year, subject to year-end adjustments;

(d) as soon as possible, but in no event more than five business days after the commencement thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting the Borrower;

(e) within five business days after the Borrower obtains knowledge thereof, notice of (i) any disputes or claims by the Borrower's customers exceeding \$10,000 individually or \$25,000 in the aggregate pending at any time; (ii) credit memos; (iii) any goods returned to or recovered by the Borrower; and (iv) any change in the persons constituting the Borrower's officers;

(f) within five business days after the Borrower obtains knowledge thereof, notice of any loss of or material damage to the Mill Property; and

(g) within five business days after the Borrower obtains knowledge thereof, notice of the Borrower's violation of any law, rule or regulation, the non-compliance with which could materially and adversely affect the Borrower's business or its financial condition.

Section 6.2 Books and Records; Inspection and Examination. The Borrower will keep accurate books of record and account for itself pertaining to the Borrower's business and financial condition and such other matters as the Lender may from time to time request in which true and complete entries will be made in accordance with GAAP and, upon the Lender's request, will permit any officer, employee, attorney or accountant for the Lender to audit, review, make extracts from or copy any and all financial books and records of the Borrower at all times during ordinary business hours; and to discuss the Borrower's affairs with any of its directors, officers, employees or agents. The Borrower will permit the Lender, or its employees, accountants, attorneys or agents, to examine and inspect the Mill Property, or any other property of the Borrower at any time during ordinary business hours. Such examinations and inspections shall be at the Lender's cost and expense.

Section 6.3 Compliance with Laws.

(h) The Borrower will at all times comply with the requirements of applicable laws and regulations, the non-compliance with which would materially and adversely affect its business or its financial condition.

(i) Without limiting the foregoing undertakings, the Borrower specifically agrees that it will at all times comply with all applicable Environmental Laws and obtain and comply with all permits, licenses and similar approvals required by any Environmental Laws, and will not generate, use, transport, treat, store or dispose of any Hazardous Substances in such a manner as to create any liability or obligation under the common law of any jurisdiction or any Environmental Law.

Section 6.4 Payment of Taxes and Other Claims. The Borrower will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it or upon or against the creation, perfection or continuance of a security interest, prior to the date on which penalties attach thereto, (b) all federal, state and local taxes required to be withheld by it, and (c) all lawful

claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of any member of the Borrower; provided, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which proper reserves have been made.

Section 6.5 Maintenance of Properties.

(a) The Borrower will keep and maintain the Mill Property and all of its other properties necessary or useful in its business in good condition, repair and working order (normal wear and tear excepted) and will from time to time replace or repair any worn, defective or broken parts; provided, however, that nothing in this Section 6.5 shall prevent the Borrower from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the Lender's judgment, desirable in the conduct of the Borrower's business and not disadvantageous in any material respect to the Lender.

(b) The Borrower will defend its property against all claims or demands of all persons (other than the Lender) or any interest therein.

Section 6.6 Insurance. The Borrower will obtain and at all times maintain insurance with insurers believed by the Borrower to be responsible and reputable, in such amounts and against such risks as may from time to time be required by the Lender, but in all events in such amounts and against such risks as is usually carried by companies engaged in similar business and owning similar properties in the same general areas in which the Borrower operates. Without limiting the generality of the foregoing, the Borrower will at all times keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, collision (for motor vehicles) and such other risks and in such amounts as the Lender may reasonably request, with any loss payable to the Lender to the extent of its interest, and all policies of such insurance shall contain a lender's loss payable endorsement for the Lender's benefit acceptable to the Lender. All policies of liability insurance required hereunder shall name the Lender as an additional insured. Certificates of all insurance required hereunder shall be delivered to the Lender not less than 15 days prior to the expiration of any existing insurance policies.

Section 6.7 Preservation of Existence. The Borrower will preserve and maintain its existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business and shall conduct its business in an orderly, efficient and regular manner.

Section 6.8 Delivery of Instruments, etc. Within ten business days after request by the Lender, the Borrower will promptly deliver to the Lender in pledge all instruments, documents and chattel papers constituting Collateral, duly endorsed or assigned by the Borrower.

Section 6.9 Performance by the Lender. If the Borrower at any time fails to perform or observe any of the foregoing covenants contained in this Article VI or elsewhere herein, and if such failure shall continue for a period of ten business days after the Lender gives the Borrower written notice thereof (or in the case of the agreements contained in Sections 6.4 and 6.6, immediately upon the occurrence of such failure, without notice or lapse of time), the Lender may, but need not, perform or observe such covenant on behalf and in the name, place and stead of the Borrower (or, at the Lender's option, in the Lender's name) and may, but need not, take

any and all other actions which the Lender may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and the Borrower shall thereupon pay to the Lender on demand the amount of all monies expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lender in connection with or as a result of the performance or observance of such agreements or the taking of such action by the Lender, together with interest thereon from the date expended or incurred at the Floating Rate. To facilitate the Lender's performance or observance of such covenants of the Borrower, the Borrower hereby irrevocably appoints the Lender, or the Lender's delegate, acting alone, as the Borrower's attorney in fact (which appointment is coupled with an interest) with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by the Borrower (or any member) under this Section 6.9.

ARTICLE VII

Negative Covenants

So long as the Obligations shall remain unpaid, or the Credit Facility shall remain outstanding, the Borrower agrees that, without the Lender's prior written consent:

Section 7.1 Liens. The Borrower will not create, incur or suffer to exist any mortgage, deed of trust, pledge, lien, security interest, assignment or transfer upon or of any of its assets, now owned or hereafter acquired, to secure any indebtedness; excluding, however, from the operation of the foregoing, the following (collectively, "Permitted Liens"):

- (a) in the case of any of the Borrower's property which is not Collateral or other collateral described in the Security Documents, covenants, restrictions, rights, easements and minor irregularities in title which do not materially interfere with the Borrower's business or operations as presently conducted; and
- (b) the Security Interest.

Section 7.2 Indebtedness. The Borrower will not incur, create, assume or permit to exist any indebtedness or liability on account of deposits or advances or any indebtedness for borrowed money or letters of credit issued on the Borrower's behalf, or any other indebtedness or liability evidenced by notes, bonds, debentures or similar obligations, except indebtedness arising hereunder.

Section 7.3 Guaranties. The Borrower will not assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligations of any other Person, except the endorsement of negotiable instruments by the Borrower for deposit or collection or similar transactions in the ordinary course of business.

Section 7.4 Investments and Subsidiaries.

(a) The Borrower will not purchase or hold beneficially any stock or other securities or evidences of indebtedness of, make or permit to exist any loans or advances to, or make any investment or acquire any interest whatsoever in, any other Person, including specifically but without limitation any partnership or joint venture.

(b) The Borrower will not create or permit to exist any Subsidiary.

Section 7.5 Sale or Transfer of Assets; Suspension of Business Operations. The Borrower will not sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets, or any Collateral or any interest therein (whether in one transaction or in a series of transactions) to any other Person other than the sale of Inventory in the ordinary course of business and will not liquidate, dissolve or suspend business operations. The Borrower will not in any manner transfer any property without prior or present receipt of full and adequate consideration.

Section 7.6 Consolidation and Merger, Asset Acquisitions. The Borrower will not consolidate with or merge into any Person, or permit any other Person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all the assets of any other Person.

Section 7.7 Sale and Leaseback. The Borrower will not enter into any arrangement, directly or indirectly, with any other Person whereby the Borrower shall sell or transfer any real or personal property, whether now owned or hereafter acquired, and then or thereafter rent or lease as lessee such property or any part thereof or any other property which the member intends to use for substantially the same purpose or purposes as the property being sold or transferred.

Section 7.8 Restrictions on Nature of Business. The Borrower will not engage in any line of business materially different from that presently contemplated to be engaged in by the Borrower and will not purchase, lease or otherwise acquire assets not related to its respective business.

Section 7.9 Capital Expenditures. The Borrower will not incur or contract to incur Capital Expenditures of more than [REDACTED] in the aggregate during any fiscal year.

Section 7.10 Accounting. The Borrower will not adopt any material change in accounting principles other than as required by GAAP. The Borrower will not adopt, permit or consent to any change in its fiscal year.

Section 7.11 Defaults under the Mill Lease. The Borrower will not permit any breach, default or event of default to occur under the Mill Lease.

Section 7.12 Place of Business; Name. The Borrower will not transfer its chief executive office or principal place of business, or move, relocate, close or sell any business location. The Borrower will not permit any tangible Collateral or any records pertaining to the Collateral to be located in any state or area in which, in the event of such location, a financing

statement covering such Collateral would be required to be, but has not in fact been, filed in order to perfect the Security Interest. No member of the Borrower will change its name.

ARTICLE VIII

Events of Default, Rights and Remedies

Section 8.1 Events of Default. "Event of Default", wherever used herein, means any one of the following events:

- (a) Default in the payment of any of the Obligations when they become due and payable;
- (b) Occurrence of any default by the lessor or lessee under the Mill Lease;
- (c) Default in the payment of any interest required to be paid by the Borrower under this Agreement;
- (d) Failure to provide the reports, statements and related information required under Section 6.1(a), (b) or (c) hereof, or to comply with Section 6.4 hereof, within 30 days after the date or dates set forth in such Sections;
- (e) The Borrower shall be or become insolvent, or admit in writing its inability to pay its, his or her debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it, him or her or for all or any substantial part of its, his or her property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower; or the Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it, him or her under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against any member of the Borrower; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower;
- (f) A petition shall be filed by or against the Borrower under the United States Bankruptcy Code naming the Borrower as debtor;
- (g) Any representation or warranty made by the Borrower in this Agreement, or by the Borrower (or any of its officers not an Affiliate of the Lender) in any agreement, certificate, instrument or financial statement or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement shall prove to have been incorrect in any material respect when deemed to be effective;
- (h) The rendering against the Borrower of a final judgment, decree or order for the payment of money in excess of [REDACTED] and the continuance of such

judgment, decree or order unsatisfied and in effect for any period of 30 consecutive days without a stay of execution;

(i) A default under any bond, debenture, note or other evidence of indebtedness of the Borrower owed to any Person other than the Lender, or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, or under any lease of any of the Premises or the Property, and the expiration of the applicable period of grace, if any, specified in such evidence of indebtedness, indenture, other instrument or lease;

(j) The Borrower shall liquidate, dissolve, terminate or suspend its business operations or otherwise fail to operate its business in the ordinary course, or sell all or substantially all of its assets, without the Lender's prior written consent;

(k) The Borrower shall fail to pay, withhold, collect or remit any tax or tax deficiency when assessed or due (other than any tax deficiency which is being contested in good faith and by proper proceedings and for which it, he or she shall have set aside on its books adequate reserves therefor) or notice of any state or federal tax liens shall be filed or issued; or

(l) The Mortgagee shall seek to revoke its Attornment Agreement with the Borrower, or such Attornment Agreement shall become unenforceable in accordance with its terms for any reason.

Section 8.2 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, the Lender may exercise any or all of the following rights and remedies:

(a) the Lender may, by notice to the Borrower, declare the Obligations to be forthwith due and payable, whereupon all Obligations shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which the Borrower hereby expressly waives;

(b) the Lender may, without notice to the Borrower and without further action, apply any and all money owing by the Lender to any member of the Borrower to the payment of the Obligations;

(c) the Lender may exercise and enforce any and all rights and remedies available upon default to a secured party under the UCC, including, without limitation, the right to take possession of Collateral, or any evidence thereof, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which the Borrower hereby expressly waives) and the right to sell, lease or otherwise dispose of any or all of the Collateral, and, in connection therewith, the Borrower will on demand assemble the Collateral and make it available to the Lender at a place to be designated by the Lender which is reasonably convenient to both parties;

(d) the Lender may exercise any other rights and remedies available to it by law or agreement.

Section 8.3 Certain Notices. If notice to the Borrower of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 9.3) at least ten calendar days before the date of intended disposition or other action.

ARTICLE IX

Miscellaneous

Section 9.1 No Waiver; Cumulative Remedies. No failure or delay by the Lender in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy available to the Lender. The remedies provided to the Lender are cumulative and not exclusive of any remedies provided by law.

Section 9.2 Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom or any release of Collateral shall be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 9.3 Addresses for Notices, Etc. Except as otherwise expressly provided herein, all notices, requests, demands and other communications provided for hereunder shall be in writing and shall be (a) personally delivered or (b) sent by courier of international reputation (such as DHL), in each case addressed to the party to whom notice is being given at its address as set forth below:

If to the Borrower:

North Dakota Oilseed Mills LLC
530 - 35th Street NE
Northwood, North Dakota 58267

If to the Lender:

Sodrugestvo B.V.
[REDACTED]
[REDACTED]
[REDACTED]

or, as to each party, at such other address as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on

(a) the date received if personally delivered, or (b) the date delivered to the recipient if sent by courier.

Section 9.4 Further Documents. The Borrower will from time to time execute and deliver or endorse any and all instruments, documents, conveyances, assignments, security agreements, financing statements and other agreements and writings that the Lender may reasonably request in order to secure, protect, perfect or enforce the Security Interest or the Lender's rights under the Loan Documents (but any failure to request or assure that the Borrower executes, delivers or endorses any such item shall not affect or impair the validity, sufficiency or enforceability of the Loan Documents and the Security Interest, regardless of whether any such item was or was not executed, delivered or endorsed in a similar context or on a prior occasion).

Section 9.5 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

Section 9.6 Binding Effect; Assignment; Complete Agreement; Exchanging Information. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights thereunder or any interest therein without the Lender's prior written consent. The Lender may assign this Agreement as permitted under Section 9.10. This Agreement, together with the Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and supersedes all prior agreements, written or oral, on the subject matter hereof.

Section 9.7 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

Section 9.8 Headings. Article and Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.9 Governing Law; Jurisdiction, Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the substantive laws (other than conflict laws) of the State of North Dakota. The parties hereto hereby (i) consent to the personal jurisdiction of the state and federal courts located in the State of North Dakota in connection with any controversy related to this Agreement; (ii) waive any argument that venue in any such forum is not convenient, and (iii) agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

Section 9.10 Substitute Lender. Notwithstanding any provision herein to the contrary, Lender may, instead of directly making Advances to Borrower hereunder, either assign its rights and obligations hereunder to a Substitute Lender or introduce Borrower to a

Substitute Lender which will make such advances under a replacement credit agreement with substantially the same terms and conditions as set forth herein; provided, however, the Substitute Lender shall be permitted to require interest on the outstanding principal balance due the Substitute Lender to be at an interest rate which is comparable to the rate which would be charged to Borrower by a commercial lender in the Grand Forks, North Dakota area. If Lender has introduced Borrower to a Substitute Lender, Borrower will diligently and in good faith negotiate the terms and conditions of a new credit agreement with the Substitute Lender. In order to induce the Substitute Lender to enter into a new credit agreement with Borrower, Lender will, if required by the Substitute Lender, provide a guaranty of the obligations of the Borrower to the Substitute Lender, a letter of credit in favor of the Substitute Lender, or other collateral or inducement as may be reasonably required by the Substitute Lender. So long as the terms and conditions of such new credit agreement as proposed by the Substitute Lender are substantially the same in all material respects to this Agreement, with the exception of an increase in the interest rate as provided above, Lender may terminate its obligations hereunder as of the earlier of (i) the 90th day after a Substitute Lender has been introduced to Borrower, or (ii) the date upon which Borrower and Substitute Lender have entered into a new credit agreement. Any assignment of this Agreement to a Substitute Lender shall effect a termination of the Lender's obligation hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

LENDER:

BORROWER:

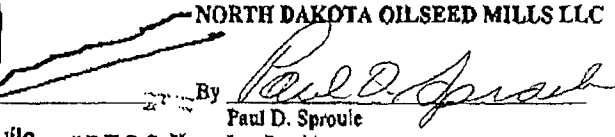
SODRUGESTVO, B.V.

NORTH DAKOTA OILSEED MILLS LLC

By

By


W.H. Kamphuis
Managing Director


J.P.R.G.S. Kevenaar
Managing Director

Paul D. Sproule
President