

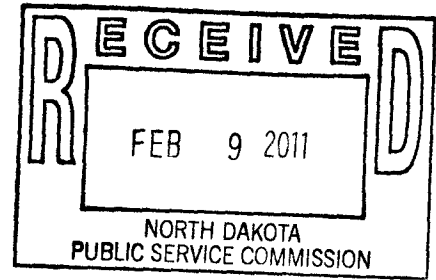
February 7, 2011

ND Public Service Commission

Attn: Ms. Sue Richter

600 E. Boulevard, Dept. 408

Bismarck, ND 58505-0480



Dear Sue,

Per your request, please find the following explanation of our response to the Organic Grain & Milling invoice #1005 for the amount of \$7,001.74.

Nature's Organic Grist, a licensed and bonded North Dakota company, did not agree to pay this money. While we understand that OGM/Mach One requested 10% of the gross profit, Nature's Organic Grist did not accept this position, nor did Nature's Organic Grist accept the position that we would pay OGM / Mach One for goodwill.

Nature's Organic Grist and OGM / Mach One did not contractually agree to terms. OGM / Mach One did not sustain their license and bond, and therefore was unable to maintain their commitments to organic farmers. Nature's Organic Grist established itself with existing business relationships with Certified Organic Farmers, Processors, and Buyers within the industry as a licensed and bonded organization after the license for OGM / Mach One had been revoked.

We hope this issue is resolved, as it is our intention to move forward and to continue to serve the Organic Industry of North Dakota.

Best regards,

A handwritten signature in cursive script that reads "Troy De Smet".

Troy De Smet

President

Nature's Organic Grist