

IN THE SUPREME COURT

STATE OF NORTH DAKOTA

Public Service Commission,	)	
	)	Supreme Court No. 20160303
Petitioner,	)	
	)	
vs.	)	
	)	
Grand Forks Bean Company, Inc.,	)	
Auto-Owners Insurance Company,	)	Grand Forks County District Court
	)	File No. 18-2015-CV-00240
Respondents,	)	
	)	
_____	)	
PSC Case No. GE-15-36	)	

---

**JOINT APPENDIX**

APPEAL FROM JUDGMENT, DATED JULY 22, 2016, ORDER DENYING INTERVENTION BY ALLOWING FULL PARTICIPATION AS A CLAIMANT – BREMER BANK, DATED NOVEMBER 19, 2015, ORDER MODIFYING TRUSTEE’S REPORT AND RECOMMENDATION, DATED MAY 3, 2016, ORDER CORRECTING CLERICAL MISTAKE/OVERSIGHT, DATED MAY 5, 2016, ORDER RESOLVING POST-HEARING ISSUES, DATED JULY 5, 2016, ORDER FOR JUDGMENT, DATED JULY 22, 2016, AND ORDER DENYING POST-JUDGMENT RELIEF-MOTION FILED AUGUST 24, 2016, DATED SEPTEMBER 15, 2016

THE DISTRICT COURT OF GRAND FORKS COUNTY, NORTH DAKOTA  
NORTHEAST CENTRAL JUDICIAL DISTRICT  
THE HONORABLE JON J. JENSEN, PRESIDING

---

**TABLE OF CONTENTS**

**PAGES**

Docket Sheet - Case # 18-2015-CV-00240 ..... 1-13

Application for Appointment As Trustee and for Ex Parte Order (Doc. # 1)..... 14-22

Notice of Application of Appointment as Trustee (Doc. # 3)..... 23-24

Order Appointing Trustee (Doc. # 24)..... 25-26

Amended Order Appointing Trustee (Doc. # 26) ..... 27-28

Claim of Bremer Bank, National Association (Doc. # 31) ..... 29-32

    Exhibit A to Claim of Bremer Bank (Doc. # 32) .....33

    Exhibit B to Claim of Bremer Bank (Doc. # 33) ..... 34-39

    Exhibit C to Claim of Bremer Bank (Doc. # 34) ..... 40-45

    Exhibit D to Claim of Bremer Bank (Doc. # 35)..... 46-51

    Exhibit E to Claim of Bremer Bank (Doc. # 36) ..... 52-57

    Exhibit F to Claim of Bremer Bank (Doc. # 37)..... 58-59

    Exhibit G to Claim of Bremer Bank (Doc. # 38).....60

    Exhibit H to Claim of Bremer Bank (Doc. # 39).....61

    Exhibit I to Claim of Bremer Bank (Doc. # 40) .....62

    Exhibit J to Claim of Bremer Bank (Doc. # 41) ..... 63-75

Claim of Estate of Brad Nelson (Doc. #43).....76

    Exhibit A to Claim of Estate of Brad Nelson (Doc. # 44) ..... 77-80

Claim of Brent Baldwin (Doc. # 46)..... 81-83

    Exhibit A to Claim of Brent Baldwin (Doc. # 47)..... 84-87

    Exhibit B to Claim of Brent Baldwin (Doc. # 48) ..... 88-89

    Exhibit C to Claim of Brent Baldwin (Doc. # 49) .....90

Claim of Baldwin Farms, Inc. (Doc. # 50) ..... 91-93

    Exhibit A to Claim of Baldwin Farms, Inc. (Doc. # 51)..... 94-98

    Exhibit B to Claim of Baldwin Farms, Inc. (Doc. # 52)..... 99-100

    Exhibit C to Claim of Baldwin Farms, Inc. (Doc. # 53).....101

Claim of Duane Altendorf (Doc. # 54) ..... 102-104

    Exhibit A to Claim of Duane Altendorf (Doc. # 55) ..... 105-112

    Exhibit B to Claim of Duane Altendorf (Doc. # 56)..... 113-114

    Exhibit C to Claim of Duane Altendorf (Doc. # 57).....115

Claim of Curt Amundson (Doc. # 59) .....116

    Exhibit A to Claim of Curt Amundson (Doc. # 60)..... 117-130

Claim of WJS Nelson (Doc. # 62) .....	131
Exhibit A to Claim of WJS Nelson (Doc. # 63) .....	132-133
Claim of Chuck Nelson (Doc. # 64) .....	134
Exhibit A to Claim of Chuck Nelson (Doc. # 65).....	135-136
Exhibit B to Claim of Chuck Nelson (Doc. # 66).....	137
Claim of Nicholas Adams (Doc. # 67).....	138-139
Exhibit A to Claim of Nicholas Adams (Doc. # 68).....	140-141
Claim of Ronald Adams (Doc. # 69) .....	142-143
Exhibit A to Claim of Ronald Adams (Doc. # 70) .....	144
Exhibit B to Claim of Ronald Adams (Doc. # 71).....	145-160
Exhibit C to Claim of Ronald Adams (Doc. # 72).....	161
Exhibit D to Claim of Ronald Adams (Doc. # 73) .....	162-170
Bremer Bank’s Rule 3.2 Notice of Motion and Motion to Intervene (Doc. # 119) .....	171-173
Exhibit 1 to Motion to Intervene (Doc. # 120) .....	174-185
Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee (Doc. # 153).....	186-187
Brief in Support of Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee (Doc. # 154).....	188-190
Report and Recommendation of Trustee (Doc. # 155) .....	191-218
Order Denying Motion to Intervene (Doc. # 181) .....	219-221
Amended Claim of Beth A. Nelson, as assignee of Estate of Brad Nelson (Doc. # 182) .....	222-223
Exhibit A to Amended Claim of Beth A. Nelson, as assignee of Estate of Brad Nelson (Doc. # 183).....	224-227
Amended Claim of Curt Amundson (Doc. # 185).....	228-229
Exhibit A to Amended Claim of Curt Amundson (Doc. # 186) .....	230-243
Amended Claim of Baldwin Farms (Doc. # 188) .....	244-246
Exhibit A to Amended Claim of Baldwin Farms (Doc. # 189) .....	247-251
Exhibit B to Amended Claim of Baldwin Farms (Doc. # 190) .....	252-253
Exhibit C to Amended Claim of Baldwin Farms (Doc. # 191) .....	254
Amended Claim of Brent Baldwin (Doc. # 193) .....	255-257
Exhibit A to Amended Claim of Brent Baldwin (Doc. # 194) .....	258-261

Exhibit B to Amended Claim of Brent Baldwin (Doc. # 195).....	262-263
Exhibit C to Amended Claim of Brent Baldwin (Doc. # 196).....	264
Amended Claim of Duane Altendorf (Doc. # 198).....	265-267
Exhibit A to Amended Claim of Duane Altendorf (Doc. # 199).....	268-275
Exhibit B to Amended Claim of Duane Altendorf (Doc. # 200).....	276-277
Exhibit C to Amended Claim of Duane Altendorf (Doc. # 201).....	278
Amended Claim of Nicholas E. Adams (Doc. # 203).....	279-280
Exhibit A to Amended Claim of Nicholas E. Adams (Doc. # 204).....	281-282
Amended Claim of Chuck Nelson (Doc. # 205).....	283-284
Exhibit A to Amended Claim of Chuck Nelson (Doc. # 206).....	285-286
Exhibit B to Amended Claim of Chuck Nelson (Doc. # 207).....	287
Amended Claim of Ronald Adams (Doc. # 208).....	288-289
Exhibit A to Amended Claim of Ronald Adams (Doc. # 209).....	290
Exhibit B to Amended Claim of Ronald Adams (Doc. # 210).....	291-306
Exhibit C to Amended Claim of Ronald Adams (Doc. # 211).....	307
Exhibit D to Amended Claim of Ronald Adams (Doc. # 212).....	308-316
Amended Claim of WJS Nelson (Doc. # 214).....	317
Exhibit A to Amended Claim of WJS Nelson (Doc. # 215).....	318-319
PSC Exhibit 7 – December 29, 2014 Email to Susan Richter (Doc. # 277).....	320
PSC Exhibit 8 – December 19, 2014 Email to Susan Richter (Doc. # 278).....	321
PSC Exhibit 9 – December 20, 2014 Email to Susan Richter (Doc. # 279).....	322
PSC Exhibit 10 – December 20, 2014 Email to Susan Richter (Doc. # 280).....	323
PSC Exhibit 11 – December 20, 2014 Email to Susan Richter (Doc. # 281).....	324
PSC Exhibit 12 – December 20, 2014 Email to Susan Richter (Doc. # 282).....	325
PSC Exhibit 13 – December 20, 2014 Fax to PSC (Doc. # 283).....	326
PSC Exhibit 14 – December 23, 2014 Email to Susan Richter (Doc. # 284).....	327
PSC Exhibit 16 – Cease and Desist Order to GFB (Doc. # 285).....	328
PSC Exhibit 17 – Stipulation for Sale of Inventory and Deposit of Proceeds (Doc. # 286).....	329-352
PSC Exhibit 20b – Price Later Marketing Agreement (Doc. # 290).....	353

PSC Exhibit 21a – Dry Bean Contract – Brent Baldwin (Doc. # 293).....	354-355
PSC Exhibit 21b – Price Later Marketing Agreement (Doc. # 294) .....	356
PSC Exhibit 21c – Brent Baldwin Spreadsheet (Doc. # 295).....	357
PSC Exhibit 21d – Scale Tickets – Brent Baldwin (Doc. # 296) .....	358-359
PSC Exhibit 21e – Brent Baldwin Spreadsheet (Doc. #297).....	360
PSC Exhibit 22a – Price Later Marketing Agreement (Doc. # 298) .....	361
PSC Exhibit 22b – Baldwin Farms, Inc. Spreadsheet (Doc. # 299) .....	362
PSC Exhibit 22c – Scale Tickets – Baldwin Farms, Inc. (Doc. # 300) .....	363-365
PSC Exhibit 22d – GFB Check – Baldwin Farms, Inc. (Doc. # 301).....	366
PSC Exhibit 22e – Price Later Marketing Agreement (Doc. # 302) .....	367
PSC Exhibit 22f – Baldwin Farms, Inc. Spreadsheet (Doc. # 303).....	368
PSC Exhibit 23a – Price Later Marketing Agreement (Doc. # 304) .....	369
PSC Exhibit 23b – Duane Altendorf Spreadsheet (Doc. # 305).....	370
PSC Exhibit 23c – Scale Tickets – Duane Altendorf (Doc. # 306) .....	371-378
PSC Exhibit 23d – Duane Altendorf Spreadsheet (Doc. # 307).....	379
PSC Exhibit 24a – Price Later Marketing Agreement (Doc. # 308) .....	380
PSC Exhibit 25b – Price Later Marketing Agreement (Doc. # 313) .....	381
PSC Exhibit 27a – Price Later Marketing Agreement (Doc. # 319) .....	382
PSC Exhibit 28a – Price Later Marketing Agreement (Doc. # 322) .....	383-384
PSC Exhibit 31 – GFB Storage, Handling, and Delivery Policy (Doc. # 329) .....	385
PSC Exhibit 32 – Claim analysis spreadsheet by PSC (Doc. # 330).....	386-388
PSC Exhibit 35 – Unsigned redelivery agreement (Doc. # 332) .....	389
BB Exhibit 102 – GFB financing statement search results (Doc. # 334) .....	390-396

BB Exhibit 104 – Borrowing Base & Compliance Certificates (Doc. # 336) .....	397-415
BB Exhibit 105 – April 2013 GFB Financial Statement (Doc. # 337) .....	416-425
BB Exhibit 106 – October 2013 GFB Financial Statement (Doc. # 338).....	426-435
BB Exhibit 107 – April 2014 GFB Financial Statement (Doc. # 339) .....	436-445
BB Exhibit 108 – October 2014 GFB Financial Statement (Doc. # 340).....	446-455
BB Exhibit 109 – GFB Annual Financial Statement (Doc. # 341).....	456-486
BB Exhibit 113 – “You Should Know” PSC Publication (Doc. # 345) .....	487-488
BB Exhibit 116 – February 26, 2014 PSC Inspection Report of GFB (Doc. # 348) .....	489-490
BB Exhibit 126 – GFB Posted Credit Sale Contract No Bond Coverage Notice (Doc. # 357) .....	491
Order Modifying Trustee’s Report and Recommendation (Doc. # 377) .....	492-534
Order Correcting Clerical Mistake/Oversight (Doc. # 379) .....	535-536
Order Resolving Post-Hearing Issues (Doc. # 423).....	537-544
Order for Judgment (Doc. # 431).....	545-548
Judgment (Doc. # 432).....	549-552
Notice of Appeal by Bremer Bank (Doc. # 441) .....	553--558
Order Denying Post-Judgment Relief – Motion filed August 24, 2016 (Doc. # 459) .....	559-560
Notice of Appeal by Curt Amundson and Beth Nelson (Doc. # 462) .....	561-565
Notice of Appeal and Cross Appeal by PSC (Doc. # 465) .....	566-571
Notice of Cross-Appeal filed by Auto-Owners Insurance Company (Doc. # 470) .....	572-575
Amended Notice of Appeal by Bremer Bank (Doc. # 474).....	576-581

[Skip to Main Content](#) [Logout](#) [My Account](#) [My Cases](#) [Search Menu](#) [New Civil Search](#) [Refine Search](#)  
[Back](#)

Location : Northeast Central District [Images](#) [Help](#)

**REGISTER OF ACTIONS**  
**CASE NO. 18-2015-CV-00240**

Public Service Commission, et al. vs. Grand Forks Bean Company, Inc.

§  
§  
§  
§  
§  
§  
§

Case Type: **Other Civil**  
Date Filed: **02/13/2015**  
Location:  
Judicial Officer: **Jensen, Jon J.**  
Supreme Court Docket Number: **20160303**

**PARTY INFORMATION**

		<b>Attorneys</b>
<b>Defendant</b>	<b>Grand Forks Bean Company, Inc.</b> 2120 N. WASHINGTON STREET GRAND FORKS, ND 58203	
<b>Plaintiff</b>	<b>Public Service Commission</b> 600 East Boulevard Ave Dept 408 Bismarck, ND 58505-0480	<b>Illona A Jeffcoat-Sacco</b> <i>Retained</i> 701-328-2400 x0000(W)
<b>Plaintiff</b>	<b>Public Service Commission</b>  600 E Boulevard Ave Dept 408 Bismarck, ND 58505-0480	<b>Mitchell D Armstrong</b> <i>Retained</i> 701-258-0630 x0000(W)
		<b>Casey Ann Furey</b> <i>Retained</i> 701-223-6585 x0000(W)

**EVENTS & ORDERS OF THE COURT**

	<b>DISPOSITIONS</b>
07/05/2016	<b>Judgment / Order Entered</b> (Judicial Officer: Jensen, Jon J.)
	<b>OTHER EVENTS AND HEARINGS</b>
02/13/2015	<b>Motion</b> Doc ID# 1 <i>Application for Appointment as Trustee and for Ex Parte Order</i>
02/13/2015	<b>Exhibit</b> Doc ID# 2 <i>Exhibit 1</i>
02/13/2015	<b>Notice</b> Doc ID# 3 <i>Notice of Application for Appointment as Trustee and for Ex Parte Order and Notice of Motion Under Rule 3.2</i>
02/13/2015	<b>Affidavit</b> Doc ID# 4 <i>Affidavit of Susan K. Richter in Support of Application</i>
02/13/2015	<b>Exhibit</b> Doc ID# 5 <i>Exhibit A</i>
02/13/2015	<b>Exhibit</b> Doc ID# 6 <i>Exhibit B</i>
02/13/2015	<b>Brief</b> Doc ID# 7 <i>Brief in Support of Application for Appointment as Trustee and for Ex Parte Order</i>
02/13/2015	<b>Proposed Order</b> Doc ID# 8 <i>Proposed Ex Parte Order to Preserve Trust Assets</i>
02/13/2015	<b>Proposed Order</b> Doc ID# 9 <i>Proposed Order Appointing Trustee</i>
02/17/2015	<b>Service Document</b> Doc ID# 10 <i>Affidavit of Service by Certified and Regular Mail</i>
02/18/2015	<b>Order Disposing of Motion</b> Doc ID# 11 <i>Ex Parte Order to Preserve Trust Assets</i>
02/25/2015	<b>Notice</b> Doc ID# 12 <i>Notice of Entry of Ex Parte Order</i>
02/25/2015	<b>Service Document</b> Doc ID# 13 <i>Affidavit of Service by Certified and Regular Mail</i>
03/06/2015	<b>Response</b> Doc ID# 14 <i>Conditional Objection of Brent Baldwin, Baldwin Farms, Inc., Duane Altendorf, Ron Adams, Nickolas Adams, Chuck B. Nelson and WJS Nelson (John Nelson &amp; Steve Nelson), Curt Amundson, and the Estate of Brad Nelson to Petitioner's Application for Appointment as Trustee</i>
03/06/2015	<b>Brief</b> Doc ID# 15 <i>Brief in Support of Conditional Objection of Brent Baldwin, Baldwin Farms, Inc., Duane Altendorf, Ron Adams, Nickolas Adams, Chuck B. Nelson and WJS Nelson (John Nelson &amp; Steve Nelson), Curt Amundson, and the Estate of Brad Nelson to Petitioner's Application for Appointment as Trustee</i>
03/06/2015	<b>Service Document</b> Doc ID# 16 <i>Certificate of Service of Conditional Objection and Brief on Russ Melland, Dan Gaustad, Tracy Kennedy, Susan K. Richter, John Schroeder and Scott Knudsvig</i>
03/13/2015	<b>Response</b> Doc ID# 17

03/13/2015 *Response to Conditional Objection*  
**Service Document** Doc ID# 18  
*Certificate of Service of Response to Conditional Objection*

03/17/2015 **Exhibit** Doc ID# 19  
*Exhibit to 2-25-15- Affidavit of Service - Notice of Entry of Ex Parte Order Returned*

03/17/2015 **Service Document** Doc ID# 20  
*Affidavit of Service*

03/17/2015 **Service Document** Doc ID# 21  
*Affidavit of Service*

03/23/2015 **Letter** Doc ID# 22  
*Letter to Judge Lolita Hartl Romanick from Jon Brakke*

03/23/2015 **Proposed Order** Doc ID# 23  
*Proposed Order Appointing Trustee (Not Signed)*

03/23/2015 **Order** Doc ID# 24  
*Appointing Trustee*

03/25/2015 **Proposed Order** Doc ID# 25  
*Proposed Amended Order Appointing Trustee*

03/25/2015 **Order** Doc ID# 26  
*Amended Order Appointing Trustee*

03/27/2015 **Notice** Doc ID# 27  
*Notice of Entry of Order*

03/27/2015 **Notice** Doc ID# 28  
*Notice of Appointment as Trustee and Notice to File Claims*

03/27/2015 **Service Document** Doc ID# 29  
*Certificate of Service*

03/27/2015 **Service Document** Doc ID# 30  
*Affidavit of Service by Certified and Regular Mail*

04/17/2015 **CANCELED Hearing** (10:00 AM) (Judicial Officer Thelen, John)  
*Awaiting new hearing date*  
*Exparte Order*

04/23/2015 **Notice** Doc ID# 31  
*Claim of Bremer Bank, National Association*

04/23/2015 **Exhibit** Doc ID# 32  
*Exhibit A to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 33  
*Exhibit B to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 34  
*Exhibit C to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 35  
*Exhibit D to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 36  
*Exhibit E to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 37  
*Exhibit F to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 38  
*Exhibit G to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 39  
*Exhibit H to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 40  
*Exhibit I to Claim of Bremer Bank*

04/23/2015 **Exhibit** Doc ID# 41  
*Exhibit J to Claim of Bremer Bank*

04/23/2015 **Service Document** Doc ID# 42  
*Affidavit of Service*

04/29/2015 **Civil Filing** Doc ID# 43  
*Claim of the Estate of Brad Nelson*

04/29/2015 **Exhibit** Doc ID# 44  
*Exhibit A (scale tickets) to Claim of Estate of Brad Nelson*

04/29/2015 **Service Document** Doc ID# 45  
*Certificate of Service of Claim of Estate of Brad Nelson on opposing parties and counsel*

05/11/2015 **Application** Doc ID# 46  
*Claim of Brent Baldwin*

05/11/2015 **Exhibit** Doc ID# 47  
*Exhibit A-Dry Bean Contract*

05/11/2015 **Exhibit** Doc ID# 48  
*Exhibit B-Price Later Marketing Agreement*

05/11/2015 **Exhibit** Doc ID# 49  
*Exhibit C-Brent Baldwin Scale Ticket List*

05/11/2015 **Application** Doc ID# 50  
*Claim of Baldwin Farms, Inc.*

05/11/2015 **Exhibit** Doc ID# 51  
*Exhibit A-Price Later Marketing Agreement (Inc.)*

05/11/2015 **Exhibit** Doc ID# 52  
*Exhibit B-Marketing Agreement*

05/11/2015 **Exhibit** Doc ID# 53  
*Exhibit C-Baldwin Farms, Inc. Scale Ticket List*

05/11/2015 **Application** Doc ID# 54  
*Claim of Duane Altendorf*

05/11/2015 **Exhibit** Doc ID# 55  
*Exhibit A-Altendorf*

05/11/2015 **Exhibit** Doc ID# 56  
*Exhibit B-Price Later Marketing Agreement*

05/11/2015 **Exhibit** Doc ID# 57  
*Exhibit C-Duane Altendorf Scale Ticket List*

05/11/2015 **Service Document** Doc ID# 58  
*Affidavit of Service*

05/13/2015 **Application** Doc ID# 59  
*Claim of Curt Amundson*

05/13/2015 **Exhibit** Doc ID# 60  
*Exhibit A to Claim of Curt Amundson (contract and scale tickets)*

05/13/2015 **Service Document** Doc ID# 61  
*Certificate of Service of Claim of Curt Amundson and Exhibit A on opposing counsel and interested parties*

05/14/2015 **Notice** Doc ID# 62  
*Claim of WJS Nelson*

05/14/2015 **Exhibit** Doc ID# 63  
*Exhibit A - Claim of WJS Nelson - Scale Tickets*

05/14/2015 **Notice** Doc ID# 64  
*Claim of Chuck Nelson*

05/14/2015 **Exhibit** Doc ID# 65  
*Exhibit A - Claim of Chuck Nelson - Scale Ticket*

05/14/2015 **Exhibit** Doc ID# 66  
*Exhibit B - Claim of Chuck Nelson - Dry Bean Contract*

05/14/2015 **Notice** Doc ID# 67  
*Claim of Nicholas Adams*

05/14/2015 **Exhibit** Doc ID# 68  
*Exhibit A - Claim of Nicholas Adams - Scale Ticket*

05/14/2015 **Notice** Doc ID# 69  
*Claim of Ronald Adams*

05/14/2015 **Exhibit** Doc ID# 70  
*Exhibit A - Claim of Ronald Adams - Scale Ticket Summary 10-2010*

05/14/2015 **Exhibit** Doc ID# 71  
*Exhibit B - Claim of Ronald Adams - Scale Tickets 10-2010*

05/14/2015 **Exhibit** Doc ID# 72  
*Exhibit C - Claim of Ronald Adams - Scale Ticket Summary 9/2012*

05/14/2015 **Exhibit** Doc ID# 73  
*Exhibit D - Claim of Ronald Adams - Scale Tickets 2012*

05/14/2015 **Service Document** Doc ID# 74  
*Certificate of Electronic Service*

05/22/2015 **Service Document** Doc ID# 75  
*Return Receipt - Notice of Application for Appointment as Trustee & for Ex Parte Order & Notice of Motion under Rule 3.2*

05/22/2015 **Service Document** Doc ID# 76  
*Return Receipt - Notice of Entry of Ex Parte Order*

05/22/2015 **Service Document** Doc ID# 77  
*Return Receipt - Notice of Entry of Order Appointing Trustee*

05/22/2015 **Service Document** Doc ID# 78  
*Return Mail - Tad McGurk, Notice of Entry of Ex Parte Order*

05/22/2015 **Service Document** Doc ID# 79  
*Return Mail - Tad McGurk, Notice of Entry of Order Appointing Trustee*

05/22/2015 **Exhibit** Doc ID# 80  
*Memo Requesting Service of Process*

05/22/2015 **Service Document** Doc ID# 81  
*Secretary of State Service of Process*

05/26/2015 **Notice** Doc ID# 82  
*Claim of Fessenden Cooperative Association*

05/26/2015 **Exhibit** Doc ID# 83  
*Exhibit A - Contract 22022*

05/26/2015 **Exhibit** Doc ID# 84  
*Exhibit B - Contract 22162*

05/26/2015 **Exhibit** Doc ID# 85  
*Exhibit C - Damage Calculation*

05/26/2015 **Service Document** Doc ID# 86  
*Certificate of Service*

06/02/2015 **Notice** Doc ID# 87  
*Notice of Appearance*

06/02/2015 **Service Document** Doc ID# 88  
*Affidavit of Service upon Daniel Gaustad, Tracy Kennedy, John Schroeder, Jon Brakke, Joel Arnason, Russ Melland, Illona Jeffcoat-Sacco, Caesy Furey and Scott Knudsvig*

06/12/2015 **Motion** Doc ID# 89  
*Motion to Withdraw as Counsel*

06/12/2015 **Proposed Order** Doc ID# 90  
*Proposed Order Permitting Withdrawal as Counsel*

06/12/2015 **Service Document** Doc ID# 91  
*Certificate of Service*

06/12/2015 **Letter** Doc ID# 92  
*Re: No Notice of Motion Filed With Court*

06/12/2015 **Order** Doc ID# 93  
*Standing Order for Notice of Motion*

06/12/2015 **Service Document** Doc ID# 94  
*Certificate of Service*

06/15/2015 **Notice** Doc ID# 95  
*Notice of Motion to Withdraw as Counsel*

06/15/2015 **Service Document** Doc ID# 96  
*Affidavit of Service upon Gaustad, Kennedy, Schroeder, Brakke, Arnason, Melland, Illona, Casey, Knudsvig*

07/02/2015 **Notice of Assignment and Case Number** Doc ID# 97

07/02/2015 **Service Document** Doc ID# 98  
*Certificate of Service*

07/07/2015 **Order Disposing of Motion** Doc ID# 99  
*Order to Withdraw as Counsel*

07/09/2015 **Demand for Change of Judge** Doc ID# 100  
*Demand for Change of Judge (DH)*

07/09/2015 **Service Document** Doc ID# 101  
*Affidavit of Service*

07/13/2015 **Notice of Assignment and Case Number** Doc ID# 102  
*(JJ)*

07/13/2015 **Order** Doc ID# 103  
*Assigning Judge (JJ)*

07/13/2015 **Service Document** Doc ID# 104  
*Clerk's Certificate of Service*

08/10/2015 **Notice** Doc ID# 105  
*Notice of Motion to Join Surety*

08/10/2015 **Motion** Doc ID# 106  
*Motion to Join Surety*

08/10/2015 **Brief** Doc ID# 107  
*Brief in Support of Motion to Join Surety*

08/10/2015 **Proposed Order** Doc ID# 108  
*Order to Join Surety*

08/10/2015 **Service of Motion** Doc ID# 109  
*Affidavit of Service upon Gaustad, Kennedy, Schroeder, Brakke, Arnason, Melland, Illona, Knudsvig*

08/21/2015 **Notice** Doc ID# 110  
*Notice of Assignment of Claim of the Estate of Bradley W. Nelson*

08/21/2015 **Service Document** Doc ID# 111  
*Certificate of Service of Notice of Assignment of Claim of Estate of Bradley W. Nelson on Gaustad, Melland, Kennedy, Richter, Arnason, Schroeder and Knudsvig*

08/24/2015 **Notice** Doc ID# 112  
*Notice of Appearance*

08/24/2015 **Service Document** Doc ID# 113  
*Serving All Parties*

09/02/2015 **Order** Doc ID# 114  
*to Join Surety*

09/02/2015 **Notice** Doc ID# 115  
*Notice of Entry of Order*

09/02/2015 **Service Document** Doc ID# 116  
*Affidavit of Service upon all parties*

09/02/2015 **Notice** Doc ID# 117  
*Notice of Appearance*

09/02/2015 **Service Document** Doc ID# 118  
*Serving All Parties*

09/10/2015 **Notice** Doc ID# 119  
*Rule 3.2 Notice of Motion and Bremer Bank, National Association's Motion to Intervene*

09/10/2015 **Exhibit** Doc ID# 120  
*Exhibit 1 to Bremer Bank's Rule 3.2 Notice & Motion to Intervene - Bremer Bank's Application for Appointment as Trustee, Counterclaim and Crossclaim*

09/10/2015 **Brief** Doc ID# 121  
*Brief in Support of Bremer Bank's Motion to Intervene*

09/10/2015 **Affidavit** Doc ID# 122  
*Affidavit of Kevin Beito in Support of Bremer Bank's Motion to Intervene*

09/10/2015 **Exhibit** Doc ID# 123  
*Exhibit A to Affidavit of Kevin Beito - Commercial Security Agreement*

09/10/2015 **Exhibit** Doc ID# 124  
*Exhibit B to Affidavit of Kevin Beito - Commercial Security Agreement*

09/10/2015 **Exhibit** Doc ID# 125  
*Exhibit C to Affidavit of Kevin Beito - Commercial Security Agreement*

09/10/2015 **Exhibit** Doc ID# 126  
*Exhibit D to Affidavit of Kevin Beito - Commercial Security Agreement*

09/10/2015 **Exhibit** Doc ID# 127  
*Exhibit E to Affidavit of Kevin Beito - UCC Financing Statement*

09/10/2015 **Exhibit** Doc ID# 128  
*Exhibit F to Affidavit of Kevin Beito*

09/10/2015 **Exhibit** Doc ID# 129  
*Exhibit G to Affidavit of Kevin Beito*

09/10/2015 **Exhibit** Doc ID# 130  
*Exhibit H to Affidavit of Kevin Beito*

09/10/2015 **Proposed Order** Doc ID# 131  
*Proposed Order Granting Bremer Bank's Motion to Intervene*

09/10/2015 **Service of Motion** Doc ID# 132  
*Affidavit of Service on all parties*

09/14/2015 **Answer** Doc ID# 133  
*Separate Answer of Auto-Owners*

09/14/2015 **Service Document** Doc ID# 134  
*Service document serving all parties*

09/18/2015 **Response** Doc ID# 135  
*Return of Curt Amundson and Beth A. Nelson to the Motion to Intervene of Bremer Bank, National Association and Brief in Support of Motion*

09/18/2015 **Service Document** Doc ID# 136  
*Certificate of Service of Return of Curt Amundson and Beth Nelson to Motion to Intervene, etc. of Bremer Bank, National Association on opposing counsel*

09/21/2015 **Response** Doc ID# 137  
*Public Service Commission's Brief in Opposition to Bremer Bank's Motion to Intervene*

09/21/2015 **Service Document** Doc ID# 138  
*Affidavit of Service upon all parties*

09/22/2015 **Notice of Hearing** Doc ID# 139  
*Notice of Hearing*

09/22/2015 **Request** Doc ID# 140

09/22/2015 *Request to Appear by Telephone at Hearing*  
**Proposed Order** Doc ID# 141  
*Proposed Order (to appear by telephone at hearing)*

09/22/2015 **Service Document** Doc ID# 142  
*Certificate of Service of Notice of Hearing, Request to Appear by Phone and proposed Order on opposing parties*

09/22/2015 **Brief** Doc ID# 143  
*Brent Baldwin, Duane Altendorf, and Baldwin Farms, Inc.'s Joinder to Return of Curt Amundson and Beth A. Nelson to the Motion to Intervene of Bremer Bank, National Association and Brief in Support of Return*

09/22/2015 **Service Document** Doc ID# 144  
*Affidavit of Service to Mitchel Armstrong, Brian Schmidt, Michael Morley, Tracy A. Kennedy, John D. Schroeder, Jon Brakke, Joel Arnason, Russ Melland, Illona Jeffcoat-Sacco, and Scott Knudsvig*

09/22/2015 **Brief** Doc ID# 146  
*Ron Adams, Nicholas Adams, Chuck Nelson, WJS Nelson (Jon Nelson and Steve Nelson), by and through their undersigned counsel, and respectfully file this joinder to the Return of Curt Amundson and Beth A. Nelson to the Motion to Intervene of Bremer Bank, National Association and Brief in Support of Return*

09/22/2015 **Service Document** Doc ID# 147  
*Certificate of Service*

09/23/2015 **Order** Doc ID# 145  
*to Appear by Telephone at Hearing*

09/25/2015 **Notice of Hearing** Doc ID# 148  
*Amended Notice of Hearing*

09/25/2015 **Request** Doc ID# 149  
*Request to Appear by Telephone at Hearing*

09/25/2015 **Proposed Order** Doc ID# 150  
*Order Allowing to Appear by Telephone at Hearing*

09/25/2015 **Service Document** Doc ID# 151  
*Affidavit of Service upon Daniel Gaustad, Michael Morley, Tracy A. Kennedy, John D. Schroeder, Jon Brakke, Joel Arnason, Russ Melland, Illona Jeffcoat-Sacco, and Scott Knudsvig*

09/30/2015 **Notice** Doc ID# 152  
*Notice of Motion and Notice of Hearing*

09/30/2015 **Motion** Doc ID# 153  
*Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee*

09/30/2015 **Brief** Doc ID# 154  
*Brief in Support of Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee*

09/30/2015 **Report** Doc ID# 155  
*Report and Recommendation of Trustee*

09/30/2015 **Exhibit** Doc ID# 156  
*A - Findings of Fact, Conclusions of Law, and Order, Public Service Comm n v. Grabanski Grain, LLC, and Platte River Ins. Co. Case No. 50-2011-CV-00029*

09/30/2015 **Affidavit** Doc ID# 157  
*Supplemental Affidavit of Susan K. Richter*

09/30/2015 **Exhibit** Doc ID# 158  
*1 - most recent bank statement*

09/30/2015 **Exhibit** Doc ID# 159  
*2 - Grand Forks Bean's License*

09/30/2015 **Exhibit** Doc ID# 160  
*3 - Grand Forks Bean's Bond filed with the Commission*

09/30/2015 **Exhibit** Doc ID# 161  
*4 - associated costs relating to this case*

09/30/2015 **Affidavit** Doc ID# 162  
*Affidavit of Timothy Erdmann*

09/30/2015 **Exhibit** Doc ID# 163  
*1 - Price Later Marketing Agreement*

09/30/2015 **Exhibit** Doc ID# 164  
*2 - Invoice (No. 1221) dated 12-16-14 for Pinto Seed*

09/30/2015 **Exhibit** Doc ID# 165  
*3 - Scale tickets located in Grand Forks Beans records relating to Chuck Nelson s*

09/30/2015 **Exhibit** Doc ID# 166  
*4 - Scale tickets within Grand Forks Beans records supporting the cwt claimed by Nicholas Adams*

09/30/2015 **Exhibit** Doc ID# 167  
*5 - Ronald Adams s scale tickets located in Grand Forks Bean s files*

09/30/2015 **Exhibit** Doc ID# 168  
*6 - United States Department of Agriculture Colorado Department of Ag Market News printouts*

09/30/2015 **Exhibit** Doc ID# 169  
*7 - Bank of North Dakota information used to verify the interest rate*

09/30/2015 **Exhibit** Doc ID# 170  
*8 - Storage, Handling and Delivery Policy*

09/30/2015 **Exhibit** Doc ID# 171  
*9 - Spreadsheet detailing the recommended payment to each claimant*

09/30/2015 **Service of Motion** Doc ID# 172  
*Affidavit of Service upon all parties*

10/05/2015 **Order** Doc ID# 173  
*Allowing to Appear by Telephone at Hearing*

10/26/2015 **Service Document** Doc ID# 174  
*Return Receipt (Michael Morley)*

10/26/2015 **Service Document** Doc ID# 175  
*Return Receipt (Tad McGurk)*

10/26/2015 **Service Document** Doc ID# 176  
*Return Receipt (Joel Arnason)*

10/26/2015 **Service Document** Doc ID# 177  
*Return Receipt (Auto Owners)*

11/13/2015 **Brief** Doc ID# 178  
*Reply Brief in Support of Bremer Bank's Motion to Intervene*

11/13/2015 **Exhibit** Doc ID# 179

11/13/2015 Exhibit A to Reply Brief: S.L. 1985, ch. 661  
**Service Document** Doc ID# 180  
*Affidavit of Service - Ilona Jeffcoat-Sacco, Jon Brakke, Joel Arnason, Russ Melland, Daniel Gaustad, Brian Schmidt, Scott Knudsvig, Mitchell Armstrong*

11/19/2015 **Motion/Hearing** (9:30 AM) (Judicial Officer Jensen, Jon J.)  
to Intervene; Court to call Atty Jon Brakke per Order: 701-237-6983; Atty Mitchell Armstrong 701-258-0630 Digital MAA 11/19/15  
10/15/2015 Continued to 11/19/2015 - Continuance - Party Unavailable - Adams, Nickolas; Adams, Ronald; Altendorf, Duane; Amundson, Curt; Auto-Owners Insurance Company; Baldwin, Brent; Bremer Bank, National Association; Estate of Brad Nelson; Fessenden Cooperative Association; Grand Forks Bean Company, Inc.; Nelson, Chuck B.; Nelson, Jon; Nelson, Steve; Nelson, WJS; Public Service Commission

11/19/2015 Result: Hearing Ended  
**Order** Doc ID# 181  
*Order Denying Intervention But Allowing Full Participation as a Claimant - Bremer Bank*

01/29/2016 **Notice** Doc ID# 182  
*Amended Claim of Beth A. Nelson , as Assignee of the Estate of Brad Nelson*

01/29/2016 **Exhibit** Doc ID# 183  
*Ex A to Amended Claim of Beth Nelson (Dry Bean Contract and scale tickets)*

01/29/2016 **Service Document** Doc ID# 184  
*Certificate of Electronic Service of Amended Claim of Beth Nelson on all parties by ECF*

01/29/2016 **Notice** Doc ID# 185  
*Amended Claim of Curt Amundson*

01/29/2016 **Exhibit** Doc ID# 186  
*Ex A to Amended Claim of Curt Amundson (copies of Price Marketing Agreement and scale tickets)*

01/29/2016 **Service Document** Doc ID# 187  
*Certificate of Electronic Service of Amended Claim of Curt Amundson to all parties by electronic service*

01/29/2016 **Notice** Doc ID# 188  
*Amended Claim of Baldwin Farms*

01/29/2016 **Exhibit** Doc ID# 189  
*Exhit A - Baldwin Farms*

01/29/2016 **Exhibit** Doc ID# 190  
*Exhibit B - Baldwin Farms*

01/29/2016 **Exhibit** Doc ID# 191  
*Exhibit C - Baldwin Farms*

01/29/2016 **Service Document** Doc ID# 192  
*Affidavit of Service*

01/29/2016 **Notice** Doc ID# 193  
*Amended Claim of Brent Baldwin*

01/29/2016 **Exhibit** Doc ID# 194  
*Exhibit A - Brent Baldwin*

01/29/2016 **Exhibit** Doc ID# 195  
*Exhibit B - Brent Baldwin*

01/29/2016 **Exhibit** Doc ID# 196  
*Exhibit C - Brent Baldwin*

01/29/2016 **Service Document** Doc ID# 197  
*Affidavit of Service*

01/29/2016 **Notice** Doc ID# 198  
*Amended Claim of Duane Altendorf*

01/29/2016 **Exhibit** Doc ID# 199  
*Exhibit A - Duane Altendorf*

01/29/2016 **Exhibit** Doc ID# 200  
*Exhibit B - Duane Altendorf*

01/29/2016 **Exhibit** Doc ID# 201  
*Exhibit C - Duane Altendorf*

01/29/2016 **Service Document** Doc ID# 202  
*Affidavit of Service*

01/29/2016 **Notice** Doc ID# 203  
*Amended Claim of Nicholas E. Adams*

01/29/2016 **Exhibit** Doc ID# 204  
*Exhibit A - Claim of Nicholas Adams - Scale Ticket*

01/29/2016 **Notice** Doc ID# 205  
*Amended Claim of Chuck Nelson*

01/29/2016 **Exhibit** Doc ID# 206  
*Exhibit A - Claim of Chuck Nelson - Scale Ticket*

01/29/2016 **Exhibit** Doc ID# 207  
*Exhibit B - Claim of Chuck Nelson - Dry Bean Contract*

01/29/2016 **Notice** Doc ID# 208  
*Amended Claim of Ronald E. Adams*

01/29/2016 **Exhibit** Doc ID# 209  
*Exhibit A - Claim of Ronald Adams - Scale Ticket Summary 10-2010*

01/29/2016 **Exhibit** Doc ID# 210  
*Exhibit B - Claim of Ronald Adams - Scale Tickets 10-2010*

01/29/2016 **Exhibit** Doc ID# 211  
*Exhibit C - Claim of Ronald Adams - Scale Ticket Summary 9-2012*

01/29/2016 **Exhibit** Doc ID# 212  
*Exhibit D - Claim of Ronald Adams - Scale Tickets 9-2012*

01/29/2016 **Service Document** Doc ID# 213  
*Certificate of Service*

02/25/2016 **Notice** Doc ID# 214  
*Amended Claim of WJS Nelson (160225)*

02/25/2016 **Exhibit** Doc ID# 215  
*Amended Claim of WJS Nelson - Exhibit A - Scale Ticket (160225)*

02/25/2016 **Service Document** Doc ID# 216  
*Certificate of Service*

03/03/2016 **Response** Doc ID# 217

	<i>Objection of Curt Amundson and Beth Nelson, as Assignee of the Estate of Brad Nelson, to the Petitioner's Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee</i>
03/03/2016	<b>Service Document</b> Doc ID# 218
	<i>Certificate of Service of Objection of Curt Amundson and Beth Nelson to Petitioner's Motion to Approve Report on opposing counsel</i>
03/03/2016	<b>Response</b> Doc ID# 219
	<i>Objection of Brent Baldwin, Baldwin Farms, Inc., and Duane Altendorf to Petitioner's Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee and to the Petitioner's Report and Recommendation of Trustee</i>
03/03/2016	<b>Service Document</b> Doc ID# 220
	<i>Affidavit of Service - T.Kennedy,J.Schroeder,J.Brakke, R.Melland, I.Jeffcoat-Sacco,M.Armstrong,B.Schmidt,S.Knudsvig,J.Arnason,M.Morley</i>
03/03/2016	<b>Brief</b> Doc ID# 221
	<i>Objection of Ronald Adams, Nicholas Adams, Chuck Nelson, and WJS Nelson to the Petitioner's Motion to Approve Report and Recommendation of Trustee, Approve Payments, and Discharge Trustee</i>
03/03/2016	<b>Service Document</b> Doc ID# 222
	<i>Certificate of Service</i>
03/03/2016	<b>Response</b> Doc ID# 223
	<i>Claimant Bremer Bank National Association's Objection to Report and Recommendation of Trustee</i>
03/03/2016	<b>Service Document</b> Doc ID# 224
	<i>Affidavit of Service - Bremer Bank's Objection to Report and Recommendation</i>
03/03/2016	<b>Deposition</b> Doc ID# 225
	<i>Deposition of Susan Richter</i>
03/03/2016	<b>Service Document</b> Doc ID# 226
	<i>Affidavit of Service - Bremer Bank Brief in Support of Objection to Report and Recommendation</i>
03/03/2016	<b>Brief</b> Doc ID# 227
	<i>Brief in Support of Claimant Bremer Bank, National Association's Objection to Report and Recommendation of Trustee</i>
03/03/2016	<b>Exhibit</b> Doc ID# 228
	<i>Exhibit A to Brief in Support of Bremer Bank's Objection to Report and Recommendation of Trustee</i>
03/03/2016	<b>Deposition</b> Doc ID# 229
	<i>Deposition of Ronald Adams - Part 1 of 2</i>
03/03/2016	<b>Deposition</b> Doc ID# 230
	<i>Deposition of Ronald Adams - Part 2 of 2</i>
03/03/2016	<b>Deposition</b> Doc ID# 231
	<i>Deposition of Beth Nelson</i>
03/03/2016	<b>Deposition</b> Doc ID# 232
	<i>Deposition of Brent Baldwin</i>
03/03/2016	<b>Deposition</b> Doc ID# 233
	<i>Deposition of Nicholas Adams</i>
03/03/2016	<b>Deposition</b> Doc ID# 234
	<i>Deposition of Chuck Nelson</i>
03/03/2016	<b>Deposition</b> Doc ID# 235
	<i>Deposition of Curt Amundson</i>
03/03/2016	<b>Deposition</b> Doc ID# 236
	<i>Deposition of Duane Altendorf</i>
03/03/2016	<b>Deposition</b> Doc ID# 237
	<i>Deposition of Timothy Erdmann</i>
03/04/2016	<b>Exhibit</b> Doc ID# 238
	<i>Objection to Report of Commission - Exhibit A - Report</i>
03/09/2016	<b>Brief</b> Doc ID# 239
	<i>Public Service Commission's Pre-Hearing Brief</i>
03/09/2016	<b>Exhibit</b> Doc ID# 240
	<i>A - HB 1197</i>
03/09/2016	<b>Exhibit</b> Doc ID# 241
	<i>B - Order Following Evidentiary Hearing (United States of America v. Wimbledon Grain Co. et al)</i>
03/09/2016	<b>Service Document</b> Doc ID# 242
	<i>Affidavit of Service Upon All Counsel of Record</i>
03/10/2016	<b>Civil Filing</b> Doc ID# 243
	<i>Petitioner's Amended Exhibit List for Hearing on Report and Recommendation</i>
03/10/2016	<b>Service Document</b> Doc ID# 244
	<i>Affidavit of Service Upon All Counsel of Record</i>
03/14/2016	<b>Hearing</b> (9:00 AM) (Judicial Officer Jensen, Jon J.)
	03/14/2016, 03/15/2016
	<i>on Trustees Report &amp; Recommendations Digital MAA 3-14-16 Digital MAA 3-15-16</i>
	Result: Hearing Ended
03/14/2016	<b>Report</b> Doc ID# 245
	<i>Combined Exhibit List of Brent Baldwin, Baldwin Farms, Inc., Duane Altendorf, Beth Nelson, As Assignee of the Estate of Brad Nelson, Curt Amundson, Chuck Nelson, WJS Nelson, Nicholas E. Adams and Ronald E. Adams</i>
03/14/2016	<b>Service Document</b> Doc ID# 246
	<i>Affidavit of Service - Upon all Counsel of Record</i>
03/29/2016	<b>Brief</b> Doc ID# 247
	<i>Post Hearing Brief of Brent Baldwin, Baldwin Farms, Inc., and Duane Altendorf</i>
03/29/2016	<b>Service Document</b> Doc ID# 248
	<i>Affidavit of Service - Upon all Counsel of Record</i>
03/29/2016	<b>Brief</b> Doc ID# 249
	<i>Closing Argument of Respondent AUTO-OWNERS INSURANCE COMPANY</i>
03/29/2016	<b>Service Document</b> Doc ID# 250
	<i>Affidavit of Service serving Armstrong, Schmidt, Jeffcoat-Sacco, Gaustad, Kennedy, Schroeder, Brakke, Arnason, Melland, Knudsvig</i>
03/29/2016	<b>Brief</b> Doc ID# 251
	<i>Post-Trial Brief of Ronald Adams, Nicholas Adams, Chuck Nelson, and WJS Nelson</i>
03/29/2016	<b>Service Document</b> Doc ID# 252
	<i>Certificate of Service</i>
03/29/2016	<b>Brief</b> Doc ID# 253
	<i>Public Service Commission's Closing Brief</i>
03/29/2016	<b>Service Document</b> Doc ID# 254
	<i>Affidavit of Service upon all parties of record</i>
03/29/2016	<b>Brief</b> Doc ID# 255

03/29/2016 *Post-Hearing Brief in Support of Claimant Bremer Bank, National Association's Objection to Report and Recommendation of Trustee*  
**Service Document** Doc ID# 256  
*Affidavit of Service on all parties- Claimant Bremer Bank's Post Hearing Brief*

03/29/2016 **Brief** Doc ID# 257  
*Post-Trial Brief of the Claimants Curtis Amundson and Beth Nelson, as Assignee of the Estate of Brad Nelson*

03/29/2016 **Service Document** Doc ID# 258  
*Certificate of Service on all counsel of Post-Trial Brief of the Claimants Curtis Amundson and Beth Nelson, as Assignee of the Estate of Brad Nelson*

04/05/2016 **Brief** Doc ID# 259  
*Reply Brief of the Claimants Curtis Amundson and Beth Nelson, as Assignee of the Estate of Brad Nelson*

04/05/2016 **Service Document** Doc ID# 260  
*Certificate of Service of Reply Brief of the Claimants Curtis Amundson and Beth Nelson, as Assignee of the Estate of Brad Nelson on all opposing counsel*

04/05/2016 **Brief** Doc ID# 261  
*Reply Brief of Auto-Owners Insurance Company*

04/05/2016 **Service Document** Doc ID# 262  
*Service Document Serving Counsel of Record*

04/05/2016 **Brief** Doc ID# 263  
*Post-Trial Reply Brief of Ronald Adams, Nicholas Adams, Chuck Nelson, and WJS Nelson*

04/05/2016 **Service Document** Doc ID# 264  
*Certificate of Service*

04/05/2016 **Brief** Doc ID# 265  
*Post Hearing Reply Brief of Brent Baldwin, Baldwin Farms, Inc., and Duane Altendorf*

04/05/2016 **Service Document** Doc ID# 266  
*Affidavit of Service - Upon all Counsel of Record*

04/05/2016 **Brief** Doc ID# 267  
*Public Service Commission's Reply Closing Brief*

04/05/2016 **Service Document** Doc ID# 268  
*Affidavit of Service upon all parties of records*

04/05/2016 **Brief** Doc ID# 269  
*Claimant Bremer Bank, National Association's Post-Hearing Reply Brief in Support of Claimant Bremer Bank, National Association's Objection to Report and Recommendation of Trustee*

04/05/2016 **Service Document** Doc ID# 270  
*Affidavit of Service to all parties - Bremer Bank's Post-Hearing Reply Brief*

05/03/2016 **Exhibit** Doc ID# 271  
*PSC Exhibit 1 (October 20, 20015 Letter to Todd McGurk)*

05/03/2016 **Exhibit** Doc ID# 272  
*PSC Exhibit 2 (Grand Forks Bean Co. Letter to Sue)*

05/03/2016 **Exhibit** Doc ID# 273  
*PSC Exhibit 3 (Delayed Pricing Grain Purchase Agreement)*

05/03/2016 **Exhibit** Doc ID# 274  
*PSC Exhibit 4 (State of North Dakota Public Service Commission License #1164)*

05/03/2016 **Exhibit** Doc ID# 275  
*PSC Exhibit 5 (Grain Elevator Warehouse Bond)*

05/03/2016 **Exhibit** Doc ID# 276  
*PSC Exhibit 6 (Notes)*

05/03/2016 **Exhibit** Doc ID# 277  
*PSC Exhibit 7 (December 29, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 278  
*PSC Exhibit 8 (December 19, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 279  
*PSC Exhibit 9 (December 20, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 280  
*PSC Exhibit 10 (December 20, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 281  
*PSC Exhibit 11 (December 20, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 282  
*PSC Exhibit 12 (December 20, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 283  
*PSC Exhibit 13 (12-20-14 Fax to Public Service Commission)*

05/03/2016 **Exhibit** Doc ID# 284  
*PSC Exhibit 14 (December 23, 2014 E-Mail to Susan Richter)*

05/03/2016 **Exhibit** Doc ID# 285  
*PSC Exhibit 16 (Suspension Notice)*

05/03/2016 **Exhibit** Doc ID# 286  
*PSC Exhibit 17 (Stipulation for the Sale of Inventory and Deposit of Proceeds)*

05/03/2016 **Exhibit** Doc ID# 287  
*PSC Exhibit 18 (Central Valley Bean Cooperative Ticket History with Averages)*

05/03/2016 **Exhibit** Doc ID# 288  
*PSC Exhibit 19 (Bank of North Dakota Account 02/29/2016)*

05/03/2016 **Exhibit** Doc ID# 289  
*PSC Exhibit 20a (Grand Forks Beah Co., Inc. Dry Bean Contract Year 2013 Crop)*

05/03/2016 **Exhibit** Doc ID# 290  
*PSC Exhibit 20b (Price Later Marketing Agreement)*

05/03/2016 **Exhibit** Doc ID# 291  
*PSC Exhibit 20c (Brad Nelson Spreadsheet)*

05/03/2016 **Exhibit** Doc ID# 292  
*PSC Exhibit 20d (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.*

05/03/2016 **Exhibit** Doc ID# 293  
*PSC Exhibit 21a (Grand Forks Bean Co, Inc. Dry Bean Contract Year 2015 Crop)*

05/03/2016 **Exhibit** Doc ID# 294  
*PSC Exhibit 21b (Price Later Marketing Agreement)*

05/03/2016 **Exhibit** Doc ID# 295  
*PSC Exhibit 21c (Bren Baldwin Spreadsheet)*

05/03/2016 **Exhibit Doc ID# 296**  
PSC Exhibit 21d (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 297**  
PSC Exhibit 21e (Brent Baldwin Spreadsheet)

05/03/2016 **Exhibit Doc ID# 298**  
PSC Exhibit 22a (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 299**  
PSC Exhibit 22b (Baldwin Farm Spreadsheet)

05/03/2016 **Exhibit Doc ID# 300**  
PSC Exhibit 22c (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 301**  
PSC Exhibit 22d (Grand Forks Bean Company, Inc. check no. 7056)

05/03/2016 **Exhibit Doc ID# 302**  
PSC Exhibit 22e (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 303**  
PSC Exhibit 22f (Baldwin Farms, Inc. Spreadsheet)

05/03/2016 **Exhibit Doc ID# 304**  
PSC Exhibit 23a (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 305**  
PSC Exhibit 23b (Duane Altendorf Farms, Inc. Spreadsheet)

05/03/2016 **Exhibit Doc ID# 306**  
PSC Exhibit 23c (Certificate of Grade Weight & Dockage of Grain Weighed Over the Sales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 307**  
PSC Exhibit 23d (Duane Altendorf Spreadsheet)

05/03/2016 **Exhibit Doc ID# 308**  
PSC Exhibit 24a (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 309**  
PSC Exhibit 24b (Curt Amundson Spreadsheet)

05/03/2016 **Exhibit Doc ID# 310**  
PSC Exhibit 24c (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 311**  
PSC Exhibit 24d (Grand Forks Bean Co, Inc. Statement No. 1221)

05/03/2016 **Exhibit Doc ID# 312**  
PSC Exhibit 25a (Grand Forks Bean Co, Inc. Dry Bean Contract Year 2013 Crop)

05/03/2016 **Exhibit Doc ID# 313**  
PSC Exhibit 25b (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 314**  
PSC Exhibit 25c (Nelson Farms Spreadsheet)

05/03/2016 **Exhibit Doc ID# 315**  
PSC Exhibit 25d (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 316**  
PSC Exhibit 26a (WJS Nelson Spreadsheet)

05/03/2016 **Exhibit Doc ID# 317**  
PSC Exhibit 26b (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 318**  
PSC Exhibit 26c (USDA Report Results)

05/03/2016 **Exhibit Doc ID# 319**  
PSC Exhibit 27a (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 320**  
PSC Exhibit 27b (Nick Adams Spreadsheet)

05/03/2016 **Exhibit Doc ID# 321**  
PSC Exhibit 27c (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 322**  
PSC Exhibit 28a (Price Later Marketing Agreement)

05/03/2016 **Exhibit Doc ID# 323**  
PSC Exhibit 28b (Ron Adams Spreadsheet)

05/03/2016 **Exhibit Doc ID# 324**  
PSC Exhibit 28c (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 325**  
PSC Exhibit 28d (Ron Adams Spreadsheet)

05/03/2016 **Exhibit Doc ID# 326**  
PSC Exhibit 28e (Certificate of Grade Weight & Dockage of Grain Weighed Over the Scales of Grand Forks Bean Co, Inc.)

05/03/2016 **Exhibit Doc ID# 327**  
PSC Exhibit 29 (September 24, 2013 USDA-CO Dept of Ag Market News)

05/03/2016 **Exhibit Doc ID# 328**  
PSC Exhibit 30 (Bank of North Dakota Lending Services)

05/03/2016 **Exhibit Doc ID# 329**  
PSC Exhibit 31 (Grand Forks Bean Co. Storage, Handling, and Delivery Policy)

05/03/2016 **Exhibit Doc ID# 330**  
PSC Exhibit 32 (PSC vs. Grand Forks Bean Company, Inc. PSC Case no. GE-15-36)

05/03/2016 **Exhibit Doc ID# 331**  
PSC Exhibit 34 (North Dakota Public Service Commission Memorandum of Adjustment)

05/03/2016 **Exhibit Doc ID# 332**  
PSC Exhibit 35 (Agreement-Unsigned)

05/03/2016 **Exhibit Doc ID# 333**  
BB Exhibit 101 (Claim of Bremer Bank, National Association)

05/03/2016 **Exhibit Doc ID# 334**  
BB Exhibit 102 (Search Criteria)

05/03/2016 **Exhibit Doc ID# 335**  
BB Exhibit 103 (Business Loan Agreement (Asset Based))

05/03/2016 **Exhibit Doc ID# 336**  
BB Exhibit 104 (Borrowing Base & Compliance Certificate)

05/03/2016 **Exhibit Doc ID# 337**  
BB Exhibit 105 (Independent Account's Compilation Report April 12, 2013)

05/03/2016 **Exhibit** Doc ID# 338  
BB Exhibit 106 (Independent Accountant's Compilation Report October 15, 2013)

05/03/2016 **Exhibit** Doc ID# 339  
BB Exhibit 107 (Independent Accountant's Compilation Report April 2, 2014)

05/03/2016 **Exhibit** Doc ID# 340  
BB Exhibit 108 (Independent Accountant's Compilation Report October 2, 2014)

05/03/2016 **Exhibit** Doc ID# 341  
BB Exhibit 109 (Annual Financial Report)

05/03/2016 **Exhibit** Doc ID# 342  
BB Exhibit 110 (Frequently Asked Questions Credit-Sale Contract Indemnity Fund)

05/03/2016 **Exhibit** Doc ID# 343  
BB Exhibit 111 (Credit-Sale Contract Definition)

05/03/2016 **Exhibit** Doc ID# 344  
BB Exhibit 112 (Buying Grain in North Dakota)

05/03/2016 **Exhibit** Doc ID# 345  
BB Exhibit 113 (You Should Know Selling Grain)

05/03/2016 **Exhibit** Doc ID# 346  
BB Exhibit 114 (December 22, 2014 E-Mail to Randel D. Christmann)

05/03/2016 **Exhibit** Doc ID# 347  
BB Exhibit 115 (Memorandum Dated August, 2005)

05/03/2016 **Exhibit** Doc ID# 348  
BB Exhibit 116 (Public Service Commission Elevator Inspections Report)

05/03/2016 **Exhibit** Doc ID# 349  
BB Exhibit 117 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 350  
BB Exhibit 118 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 351  
BB Exhibit 119 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 352  
BB Exhibit 120 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 353  
BB Exhibit 121 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 354  
BB Exhibit 122 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 355  
BB Exhibit 123 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 356  
BB Exhibit 124 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 357  
BB Exhibit 126 (Credit-Sale Contracts)

05/03/2016 **Exhibit** Doc ID# 358  
BB Exhibit 127 (Public Service Commission Elevator Inspections Report)

05/03/2016 **Exhibit** Doc ID# 359  
BB Exhibit 128 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 360  
BB Exhibit 129 (Price Later Marketing Agreement)

05/03/2016 **Exhibit** Doc ID# 361  
BB Exhibit 131 (Grand Forks Bean Company Loan Transaction History)

05/03/2016 **Exhibit** Doc ID# 362  
BB Exhibit 133 (UCC Financing Statement Amendment)

05/03/2016 **Exhibit** Doc ID# 363  
BB Exhibit 135 (Claim of Curt Amundson)

05/03/2016 **Exhibit** Doc ID# 364  
BB Exhibit 136 (Claim of the Estate of Brad Nelson)

05/03/2016 **Exhibit** Doc ID# 365  
BB Exhibit 137 (Claim of Nicholas E. Adams)

05/03/2016 **Exhibit** Doc ID# 366  
BB Exhibit 138 (Deposition of Chuck Nelson) [Offer of Proof-Not Received]

05/03/2016 **Exhibit** Doc ID# 367  
BB Exhibit 139 (Claim of Chuck Nelson)

05/03/2016 **Exhibit** Doc ID# 368  
BB Exhibit 140 (Amended Claim of Chuck Nelson)

05/03/2016 **Exhibit** Doc ID# 369  
BB Exhibit 141 (Claim of Baldwin Farms, Inc.)

05/03/2016 **Exhibit** Doc ID# 370  
BB Exhibit 142 (Amended Claim of Baldwin Farms, Inc.)

05/03/2016 **Exhibit** Doc ID# 371  
BB Exhibit 143 (Claim of Brent Baldwin)

05/03/2016 **Exhibit** Doc ID# 372  
BB Exhibit 144 (Amended Claim of Brent Baldwin)

05/03/2016 **Exhibit** Doc ID# 373  
BB Exhibit 145 (Information)

05/03/2016 **Exhibit** Doc ID# 374  
BB Exhibit 146 (Certificate of Seed)

05/03/2016 **Exhibit** Doc ID# 375  
BB Exhibit 226 (Statement)

05/03/2016 **Exhibit** Doc ID# 376  
Farmer Exhibit 216 (Trial Binder)

05/04/2016 **Order** Doc ID# 377  
Order Modifying Trustee's Report and Recommendation

05/04/2016 **Service Document** Doc ID# 378  
Certificate of Service - I. Jeffcoat-Sacco, M. Armstrong, J. Arnason, T. Kennedy, J. Schroeder, R. Melland, D. Gaustad, J. Brakke, M. Morley, S. Knudsvig

05/05/2016 **Order** Doc ID# 379

	<i>Order Correcting Clerical Mistake/Oversight</i>
05/05/2016	<b>Service Document</b> Doc ID# 380 <i>Certificate of Service - I. Jeffcoat-Sacco, M. Armstrong, J. Arnason, T. Kennedy, J. Schroeder, R. Melland, D. Gaustad, J. Brakke, M. Morley, S. Knudsvig</i>
05/13/2016	<b>Notice</b> Doc ID# 381 <i>Public Service Commission s Notice of Motion for Additions to the Court s May 3, 2016, Order, and for Deposit of Bond Proceeds</i>
05/13/2016	<b>Motion</b> Doc ID# 382 <i>Public Service Commission s Motion for Additions to the Court s May 3, 2016, Order, and for Deposit of Bond Proceeds</i>
05/13/2016	<b>Brief</b> Doc ID# 383 <i>Public Service Commission s Brief in Support of Motion for Additions to the Court s May 3, 2016, Order, and for Deposit of Bond Proceeds</i>
05/13/2016	<b>Statement</b> Doc ID# 384 <i>Public Service Commission s Statement of Costs and Expenses</i>
05/13/2016	<b>Affidavit</b> Doc ID# 385 <i>Affidavit of Mitchell D. Armstrong</i>
05/13/2016	<b>Exhibit</b> Doc ID# 386 <i>Exhibit A - Invoices</i>
05/13/2016	<b>Exhibit</b> Doc ID# 387 <i>Exhibit B - Invoice</i>
05/13/2016	<b>Exhibit</b> Doc ID# 388 <i>Exhibit C - Sue Richter's Travel Expense Voucher</i>
05/13/2016	<b>Exhibit</b> Doc ID# 389 <i>Exhibit D - Illona Jeffcoat-Sacco's Travel Expense Voucher</i>
05/13/2016	<b>Exhibit</b> Doc ID# 390 <i>Exhibit E - Project Expense Summary</i>
05/13/2016	<b>Service of Motion</b> Doc ID# 391 <i>Affidavit of Service upon all Parties</i>
05/20/2016	<b>Brief</b> Doc ID# 392 <i>Brief in Support of Bremer Bank, National Association's Objection to Proposed Commission Fees and Expenses</i>
05/20/2016	<b>Response</b> Doc ID# 393 <i>Bremer Bank, National Association's Objection to Proposed Commission Fees and Expenses</i>
05/20/2016	<b>Service Document</b> Doc ID# 394 <i>Affidavit of Service - Bremer's Brief in Support of Objection to Proposed Commission Fees and Expenses and Bremer's Objection</i>
05/20/2016	<b>Response</b> Doc ID# 395 <i>Respondent Auto-Owners Insurance Company's Response to the Public Service Commission's Motion for Payment of Costs &amp; Expenses, Including Fees Paid or Payable to Outside Counsel</i>
05/20/2016	<b>Affidavit</b> Doc ID# 396 <i>Affidavit on Behalf of Respondent Auto Owners Insurance Company in Support of Response</i>
05/20/2016	<b>Exhibit</b> Doc ID# 397 <i>Exhibit A - to Affidavit - Law Clerk Memo</i>
05/20/2016	<b>Exhibit</b> Doc ID# 398 <i>Exhibit A - to Affidavit - Newspaper Article</i>
05/20/2016	<b>Brief</b> Doc ID# 399 <i>Brief in Support of Auto Owner's Insurance Company Return &amp; Resistance to Public Service Commission's Motion for Payment</i>
05/20/2016	<b>Service Document</b> Doc ID# 400 <i>Service Document Serving All Counsel of Record</i>
05/26/2016	<b>Response</b> Doc ID# 401 <i>Objection of Curt Amundson to the Public Service Commission's Motion for Additions to the Court's May 3, 2016 Order and for Deposit of Bond Proceeds and Brief in Support of Objection</i>
05/26/2016	<b>Service Document - Defendant not Found</b> Doc ID# 402 <i>Certificate of Electronic Service of Objection of Curt Amundson to PSC's Motion for Additions on all parties by Odyssey</i>
05/26/2016	<b>Brief</b> Doc ID# 403 <i>Public Service Commission's Reply in Support of its Costs and Expenses</i>
05/26/2016	<b>Affidavit</b> Doc ID# 404 <i>Affidavit of Susan Richter</i>
05/26/2016	<b>Service Document</b> Doc ID# 405 <i>Affidavit of Service upon Daniel Gaustad, Tracy Kennedy, John Schroeder, Jon Brakke, Joel Arnason, Russ Melland, Illona Jeffcoat-Sacco, Scott Knudsvig and Tad McGurk</i>
05/31/2016	<b>Response</b> Doc ID# 406 <i>Bremer Bank, NA's Response to PSC's Motion for Additions to Court's May 3, 2016 Order and For Deposit of Bond Proceeds</i>
05/31/2016	<b>Brief</b> Doc ID# 407 <i>Bremer Bank, NA's Brief in Support of Response to Public Service Commission's Motion for Additions to Court's May 3, 2016 Order and for Deposit of Bond Proceeds</i>
05/31/2016	<b>Service Document</b> Doc ID# 408 <i>Affidavit of Service to All Parties - Bremer Bank's Response and Brief to PSC's Motion for Additions to Court's May 3, 2016 Order and For Deposit of Bond Proceeds</i>
06/01/2016	<b>Response</b> Doc ID# 409 <i>Response of Brent Baldwin, Baldwin Farms, Inc., and Duane Altendorf to Public Service Commission's Motion for Additions to Court's May 3, 2016 Order</i>
06/01/2016	<b>Service Document</b> Doc ID# 410 <i>Affidavit of Service, Kennedy, Schroeder, Brakke, Melland, Jeffcoat-Sacco, Armstrong, Schmidt, Knudsvig, Arnason, Morley</i>
06/01/2016	<b>Notice of Hearing</b> Doc ID# 411 <i>Notice of Hearing</i>
06/01/2016	<b>Service Document</b> Doc ID# 412 <i>Certificate of Service of Notice of Hearing on all parties via Odyssey</i>
06/06/2016	<b>Response</b> Doc ID# 413 <i>Public Service Commission's Reply Brief in Support of Motion for Additions to the Court's May 3, 2016, Order, and for Deposit of Bond Proceeds</i>
06/06/2016	<b>Request</b> Doc ID# 414 <i>Request to Appear by Telephone at Hearing</i>
06/06/2016	<b>Proposed Order</b> Doc ID# 415 <i>Order Allowing to Appear by Telephone at Hearing - Filed by Attorney Armstrong</i>
06/06/2016	<b>Service Document</b> Doc ID# 416 <i>Affidavit of Service upon all parties of record</i>
06/21/2016	<b>Order</b> Doc ID# 417 <i>Allowing to Appear by Telephone at Hearing - Filed by Attorney Armstrong</i>

06/21/2016 **Service Document** Doc ID# 418  
Certificate of Service

06/28/2016 **Request** Doc ID# 419  
Request to Appear by Telephone at July 1, 2016 hearing

06/28/2016 **Proposed Order** Doc ID# 420  
Proposed Order re: Request to Appear by Telephone

06/28/2016 **Service Document** Doc ID# 421  
Certificate of Service on all parties of Request to Appear by Telephone and proposed Order

06/28/2016 **Order** Doc ID# 422  
Re: Request to Appear by Telephone

07/01/2016 **Motion/Hearing** (9:00 AM) (Judicial Officer Jensen, Jon J.)  
for Additions to the Court's 05/03/16, Order, and for Deposit of Bond Proceeds Attorney Braake and Attorney Armstrong to conference call into the Court for the hearing Digital MAA 7/1/16  
Result: Hearing Ended

07/05/2016 **Order** Doc ID# 423  
Order Resolving Post-Hearing Issues

07/05/2016 **Service Document** Doc ID# 424  
Certificate of Service - I. Jeffcoat-Sacco, M. Armstrong, J. Arnason, T. Kennedy, J. Schroeder, R. Melland, D. Gaustad, J. Brakke, M. Morley and S. Knudsvig

07/06/2016 **Letter** Doc ID# 425  
Letter to Judge Jon J. Jensen dated 7-6-15

07/06/2016 **Letter** Doc ID# 426  
Letter to Michael J. Morley from Judge Jensen

07/06/2016 **Service Document** Doc ID# 427  
Certificate of Service - M. Morley, I. Jeffcoat-Sacco, M. Armstrong, J. Arnason, T. Kennedy, J. Schroeder, R. Melland, D. Gaustad, J. Brakke, S. Knudsvig

07/12/2016 **Proposed Order** Doc ID# 428  
Order for Judgment filed by Attorney Armstrong

07/12/2016 **Proposed Judgment** Doc ID# 429  
Judgment filed by Attorney Armstrong

07/12/2016 **Service Document** Doc ID# 430  
Affidavit of Service upon all parties of records

07/22/2016 **Order** Doc ID# 431  
for Judgment

07/22/2016 **Judgment** Doc ID# 432

07/22/2016 **Service Document** Doc ID# 433  
Certificate of Service

07/25/2016 **Notice of Entry of Judgment** Doc ID# 434  
Notice of Entry of Judgment

07/25/2016 **Service Document** Doc ID# 435  
Affidavit of Service upon all parties of record

08/24/2016 **Notice** Doc ID# 436  
Notice of Motion

08/24/2016 **Motion** Doc ID# 437  
Motion for Amended Findings of Fact and for an Amended Judgment Relief Pursuant to Rules 52(b), 59(j), and 60(b), N.D.R.Civ.P.

08/24/2016 **Brief** Doc ID# 438  
Brief of Auto-Owners in Support of its Motions for Post-Judgment Relief

08/24/2016 **Service of Motion** Doc ID# 439  
Affidavit of Service on All Parties

09/07/2016 **Order** Doc ID# 440  
Order for Transcript (Emailed to Court Reporters/Recorders9-7-2016)

09/07/2016 **Notice** Doc ID# 441  
Notice of Appeal by Bremer Bank, National Association

09/07/2016 **Notice of Filing the Notice of Appeal** Doc ID# 442  
Notice of Filing Notice of Appeal

09/07/2016 **Service Document** Doc ID# 443  
Affidavit of Service for Notice of Filing Notice of Appeal

09/07/2016 **Letter** Doc ID# 444  
Letter to Supreme Court 9-7-16

09/07/2016 **Response** Doc ID# 445  
Response to Auto-Owners Insurance Company's Motions for Post-Judgment Relief Pursuant to Rules 52(b), 59(j), and 60(b), N.D.R.Civ.P.

09/07/2016 **Service Document** Doc ID# 446  
Affidavit of Service - T. Kennedy, J. Schroeder, J. Brakke, R. Melland, I. Jeffcoat-Sacco, M. Armstrong, B. Schmidt, S. Knudsvig, J. Arnason, & M. Morley

09/07/2016 **Brief** Doc ID# 447  
Reply Brief of Ronald Adams, Nicholas Adams, Chuck Nelson, and WJS Nelson to Respondent Auto Owner's Motions

09/07/2016 **Service Document** Doc ID# 448  
Certificate of Service - Armstrong, Schroeder, Schmidt, Richter, Morley, Brakke, Kennedy, Knudsvig, Arnason, Illona Jeffcoat-Sacco, Gaustad

09/08/2016 **Response** Doc ID# 449  
Return of Curtis Amundson and Beth Nelson, as Assignee of the Estate of Brad Nelson to Respondent Auto-Owners Insurance Company's Motion for Amended Findings of Fact and for an Amended Judgment Pursuant to Rule 52(b), N.D.R.Civ.P.; Motion to Alter or Amend the Judgment Pursuant to Rule 59(j); And for Relief from a Final Judgment Pursuant to Rule 60(b), N.D.R.Civ.P. and Brief in Support of Return

09/08/2016 **Service Document** Doc ID# 450  
Certificate of Service of Return of Curtis Amundson and Beth Nelson to Auto Owners Motion to Amended Findings of Fact, etc. on all counsel

09/08/2016 **Notice** Doc ID# 451  
Acknowledgement of Appeal

09/08/2016 **Supreme Court Order** Doc ID# 452  
Order of Limited Remand (45 days)

09/09/2016 **Response** Doc ID# 453  
Public Service Commission's Response to Auto-Owner's Motion for Post-Judgment Relief

09/09/2016 **Service Document** Doc ID# 454  
Affidavit of Service upon Daniel Gaustad, Tracy Kennedy, John Schroeder, Jon Brakke, Joel Arnason, Russ Melland, Illona Jeffcoat-Sacco, Scott Knudsvig, Michael Morley, and Tad McGurk

09/12/2016 **Brief** Doc ID# 455

	<i>Bremer Bank, National Association s Brief in Response to Respondent Auto-Owners Insurance Company s Motion for Amended Findings of Fact and for an Amendment Judgment Pursuant to Rule 52(b), N.D.R.Civ.P; Motion to Alter or Amend the Judgment Pursuant to Rule 59(j), and for Relief from a Final Judgment Pursuant to Rule 60(b), N.D.R.Civ.P</i>		
09/12/2016	<b>Service Document</b>	<b>Doc ID# 456</b>	
	<i>Affidavit of Service to all Parties - 1. Bremer Bank, National Association s Brief in Response to Respondent Auto-Owners Insurance Company s Motion for Amended Findings of Fact and for an Amendment Judgment Pursuant to Rule 52(b), N.D.R.Civ.P; Motion to Alter or Amend the Judgment Pursuant to Rule 59(j), and for Relief from a Final Judgment Pursuant to Rule 60(b), N.D.R.Civ.P</i>		
09/14/2016	<b>Order</b>	<b>Doc ID# 457</b>	
	<i>Amended Order for Transcript (E-Mailed to Court Reporters/Recorder on 9/15/16)</i>		
09/15/2016	<b>Notice</b>	<b>Doc ID# 458</b>	
	<i>Acknowledgement of Appeal - Court Recorder</i>		
09/15/2016	<b>Order</b>	<b>Doc ID# 459</b>	
	<i>Order Denying Post-Judgment Relief - Motion Filed August 24, 2016</i>		
09/15/2016	<b>Service Document</b>	<b>Doc ID# 460</b>	
	<i>Certificate of Service - M. Armstrong, J. Arnason, T. Kennedy, J. Schroeder, R. Melland, D. Gaustad, J. Brakke, M. Morley, S. Knudsvig</i>		
09/15/2016	<b>Clerk's Certificate on Appeal</b>	<b>Doc ID# 461</b>	
09/20/2016	<b>Notice</b>	<b>Doc ID# 462</b>	
	<i>Notice of Appeal by Curt Amundson and Beth Nelson</i>		
09/20/2016	<b>Notice of Filing the Notice of Appeal</b>	<b>Doc ID# 463</b>	
	<i>Notice of Filing Notice of Appeal</i>		
09/20/2016	<b>Service Document</b>	<b>Doc ID# 464</b>	
	<i>Affidavit of Service for Notice of Filing Notice of Appeal</i>		
09/20/2016	<b>Notice</b>	<b>Doc ID# 465</b>	
	<i>Notice of Appeal and Cross Appeal by Public Service Commission</i>		
09/20/2016	<b>Notice of Filing the Notice of Appeal</b>	<b>Doc ID# 466</b>	
	<i>Notice of Filing Notice of Appeal</i>		
09/20/2016	<b>Service Document</b>	<b>Doc ID# 467</b>	
	<i>Affidavit of Service for Notice of Filing Notice of Appeal</i>		
09/20/2016	<b>Notice</b>	<b>Doc ID# 468</b>	
	<i>Notice of Appeal of Claimants Curt Amundson and Beth Nelson, as Assignee of Estate of Brad Nelson and COS on all counsel</i>		
09/21/2016	<b>Clerk's Supplemental Certificate of Appeal</b>	<b>Doc ID# 469</b>	
09/23/2016	<b>Notice</b>	<b>Doc ID# 470</b>	
	<i>Notice of Cross-Appeal filed by Auto-Owners Insurance Company</i>		
09/23/2016	<b>Notice of Filing the Notice of Appeal</b>	<b>Doc ID# 471</b>	
	<i>Notice of Filing Notice of Appeal</i>		
09/23/2016	<b>Service Document</b>	<b>Doc ID# 472</b>	
	<i>Affidavit of Service for Notice of Filing Notice of Appeal</i>		
09/23/2016	<b>Clerk's Supplemental Certificate of Appeal</b>	<b>Doc ID# 473</b>	
09/26/2016	<b>Notice</b>	<b>Doc ID# 474</b>	
	<i>Amended Notice of Appeal by Bremer Bank, National Association</i>		
09/26/2016	<b>Notice of Filing the Notice of Appeal</b>	<b>Doc ID# 475</b>	
	<i>Notice of Filing Notice of Appeal</i>		
09/26/2016	<b>Service Document</b>	<b>Doc ID# 476</b>	
	<i>Affidavit of Service for Notice of Filing Notice of Appeal</i>		
09/26/2016	<b>Clerk's Supplemental Certificate of Appeal</b>	<b>Doc ID# 477</b>	

---

**FINANCIAL INFORMATION**

---

	<b>Interested Party</b> Auto-Owners Insurance Company		
	Total Financial Assessment		50.00
	Total Payments and Credits		50.00
	<b>Balance Due as of 12/13/2016</b>		<b>0.00</b>
09/15/2015	Transaction Assessment		50.00
09/15/2015	E-File Payment	Receipt # 18-2015-12762	(50.00)
		Auto-Owners Insurance Company	

STATE OF NORTH DAKOTA  
COUNTY OF GRAND FORKS

IN DISTRICT COURT  
NORTHEAST CENTRAL JUDICIAL DISTRICT

_____	)	18-2015-CV-00240
<b>Public Service Commission</b>	)	<b>CIVIL NO.</b> _____
	)	
<b>Petitioner,</b>	)	
	)	
<b>vs.</b>	)	
	)	<b>APPLICATION FOR</b>
<b>Grand Forks Bean Company, Inc.</b>	)	<b>APPOINTMENT AS</b>
	)	<b>TRUSTEE AND FOR</b>
<b>Respondent.</b>	)	<b>EX PARTE ORDER</b>
_____	)	
<b>PSC Case No. GE-15-36</b>	)	
_____	)	

1. The North Dakota Public Service Commission (Commission) alleges as follows:
2. Grand Forks Bean Company, Inc. (Grand Forks Bean), a North Dakota business corporation, operates a licensed grain warehouse at Grand Forks, North Dakota, subject to North Dakota Century Code Chapters 60-02 and 60-04.
3. Grand Forks Bean operates its grain warehouse at Grand Forks, North Dakota, under license number 1164.
4. A surety bond is on file with the Commission as required by North Dakota Century Code section 60-02-09. The surety bond is for \$100,000.00 and identified as number 077708 66024305 with Auto-Owners Insurance Company, 6101 Anacabri Boulevard, Lansing, Michigan, as surety.
5. On November 18, 2014, the Licensing Division received a phone call from a producer inquiring about redelivery of dry edible beans that the producer had

delivered to Grand Forks Bean at its licensed grain warehouse in Grand Forks, North Dakota. The producer alleged Grand Forks Bean had not been able to market his dry edible beans according to his price later marketing agreement with Grand Forks Bean. The producer also stated he was contacting Licensing Division staff about taking redelivery of beans because Grand Forks Bean was not able to market the dry edible beans.

6. On November 19, 2014, Licensing Division staff contacted Grand Forks Bean to discuss the producer's request for redelivery of dry edible beans. Staff asked Grand Forks Bean about its current dry edible bean inventory and if the inventory was sufficient to make redelivery to each producer who had delivered dry edible beans to the licensed grain warehouse in Grand Forks. Staff asked Grand Forks Bean to fax a copy of all price later marketing agreements it had issued and related assembly sheets. Staff also asked Grand Forks Bean to fax a copy of all documents for any producer who delivered beans after a February 2014 grain warehouse examination.
7. On November 19, 2014 and November 20, 2014, Grand Forks Bean faxed staff copies of the requested price later marketing agreements and assembly sheets.
8. Between November 25, 2014 and December 19, 2014, the Licensing Division received additional phone calls from producers who delivered dry edible beans to the licensed grain warehouse in Grand Forks.
9. On December 1, 2014, a Commission Grain Warehouse Inspector visited Grand Forks Bean and measured the grain inventory, concluding the inventory

consisted of approximately 40,000 hundredweight of pinto beans. The Inspector was not able to review the Grand Forks Bean records at that time.

10. Between December 19, 2014 and December 23, 2014, the Commission received claims from eight producers. The claims were filed via electronic mail or facsimile. Each producer alleged Grand Forks Bean had not been able to market the producer's beans or pay for the beans delivered to Grand Forks Bean's facility in Grand Forks, North Dakota. A copy of each claim is attached as Exhibit 1.
11. On December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation in which Grand Forks Bean agreed that it will not receive additional grain, that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory, and that Grand Forks Bean will continue to maintain insurance on the dry edible bean inventory.
12. The Stipulation provided that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. Although Staff was not aware of any violation, Staff concluded, as a result of several discussions with growers, the warehouse and the bank, that the matter could not be resolved outside an insolvency proceeding. As a result, on January 16, 2015, Staff

recommended the Commission issue an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc.

13. On January 16, 2015, the Commission issued an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. ordering that Grand Forks Bean Company, Inc. cease and desist from receiving or purchasing grain, moving any grain out of the Grand Forks facility that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the Stipulation
14. The Commission, eight growers who had filed claims, and Bremer Bank continued to discuss the pending insolvency filing, the interests of the parties in the beans, and the need to sell the bean inventory in the Grand Forks Bean facility to maximize proceeds. All parties agreed the beans should be sold as quickly as possible, before deterioration and during acceptable weather for this commodity. The parties engaged in negotiations on a second Stipulation in order to provide a means to liquidate the inventory and preserve its value, to protect the proceeds, and also to preserve any interest the parties assert in those proceeds for resolution through the insolvency proceeding or via another means.
15. The growers assert, under North Dakota Century Code section 60-02-25.1, as outstanding receipt holders, they have a statutory first priority lien giving them rights to all beans held at the Grand Forks facility to satisfy their claims for the beans they sold or delivered to Grand Forks Bean. The bank asserts it has a perfected security interest in the grain inventory and other assets of Grand Forks bean that may become a part of the trust in any insolvency proceeding and filed

a claim to this effect on January 28, 2015. The Commission asserts an interest in the beans and other assets of Grand Forks Bean, arising by statute, with respect to the claims of the growers and other receiptholders, if any.

16. To move toward liquidation, bids were entertained for purchase of the beans. Central Valley Bean Cooperative, American Bean LLC, SRS Commodities Limited, Star of the West Milling Company, Forest River Bean Co. Inc., Johnstown Bean Company, and Walhalla Bean Company were provided an opportunity to inspect samples of the pinto beans and submit bids.
17. Central Valley Bean Cooperative (Central Valley Bean) submitted a bid of \$23.50/cwt delivered to Buxton or \$22.75/cwt based off a #1 pinto, normal discounts to apply with assurance of clean title to beans, including loading and hauling. American Bean LLC submitted a bid of \$22.25/cwt for three bins and \$16.25/cwt for one bin including loading and hauling. SRS Commodities Limited submitted a bid of \$20.00/cwt based on US #1 grade (discounts to be applied as necessary), US#2 - \$1/cwt discount and US#3 - \$2/cwt discount and would furnish equipment, labor and transportation.
18. All parties agreed the bid from Central Valley Bean was the most reasonable bid.
19. On January 30, 2015, a Stipulation for the Sale of Inventory and Deposit of Proceeds was executed by attorneys for the Commission, Grand Forks Bean Company, eight growers, and Bremer Bank, National Association. (Subsequently all parties agreed via electronic mail that the Letter of Credit from Central Valley Bean need not be irrevocable.)
20. Commission staff informed Central Valley Bean that its bid was accepted, based

on the terms submitted, with a price of \$22.75/cwt based off a #1 pinto, normal discounts to apply, including loading and hauling.

21. On February 3, 2015, Central Valley Bean began transporting the beans to its licensed grain warehouse in Buxton, North Dakota. The final load of beans was transported on February 11, 2015. A Grand Forks Bean outbound scale ticket was issued for each load of beans moved from the Grand Forks Bean warehouse and a copy of each outbound scale ticket was provided to the Commission. Commission Staff created an assembly report that included a record for each load of beans moved from the Grand Forks Bean warehouse.
22. Central Valley Bean issued an inbound scale ticket for each load of beans received with grading information and Grand Forks Bean, the Public Service Commission, and the trucking company indicated as the persons from whom the grain was received. Central Valley Bean provided a copy of each inbound scale ticket to the Commission. Central Valley Bean created a daily assembly report that included a record for each load of beans received and provided a copy of each daily assembly report to the Commission.
23. Once all beans were removed from the Grand Forks warehouse and delivered to Central Valley Bean, Central Valley Bean provided a final assembly report to the Commission. Central Valley Bean paid the Commission the full amount due, with a final payment made on February 11, 2015.
24. The proceeds from the sale of the Beans have been received and deposited in an interest bearing escrow account at the Bank of North Dakota under the name Grand Forks Bean Company, Inc., and the Stipulation for the Sale of Inventory

and Deposit of Proceeds was provided to the bank to evidence the conditions of the escrow. The funds will remain on deposit until the Commission is appointed trustee at which time the funds will be transferred into the Public Service Commission's Grand Forks Bean Company, Inc. trust account at the Bank of North Dakota.

25. The Commission was informed and has reason to believe there are outstanding obligations for unpaid claims for grain sold to Grand Forks Bean as a public warehouseman under North Dakota Century Code Chapter 60-02. Under the provisions of North Dakota Century Code section 60-02-09, bond protection is available for the benefit of all persons storing or selling grain to such warehouseman. Under the provisions of North Dakota Century Code section 60-10-04 a person is eligible to receive indemnity payments from the credit-sale contract indemnity fund if the licensed warehouse to which the person sold grain to becomes insolvent.
26. Grand Forks Bean is insolvent under North Dakota Century Code Chapter 60-04, in that it is unable upon proper demand to make payment for grain purchased or marketed by the licensee or to make redelivery or payment for grain stored.
27. North Dakota Century Code section 60-04-03 provides that the Court may issue *ex parte* a temporary order to preserve or protect any assets and potential assets of the trust fund until the Court issues its order granting or denying the application.
28. The Commission is legally entitled to be appointed trustee of the trust fund provided under North Dakota Century Code Chapter 60-04.

29. Bond proceeds may be needed to redeem outstanding receipts issued by Grand Forks Bean. North Dakota Century Code section 60-04-03.3 provides:

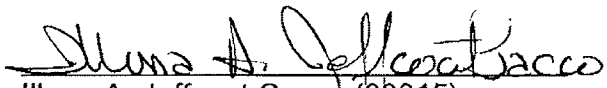
The surety on the warehouseman's bond must be joined as a party to the insolvency proceeding upon a motion by the commission when the commission believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman. When it appears in the best interests of the receiptholders, the court may order the surety to deposit the penal sum of the bond, or so much thereof as may be deemed necessary, into the trustee's trust account pending a final determination of the surety's liability under the bond.

30. The Commission is not requesting the bonding company be joined at this time, but will request joinder of the bonding company at a later date if the Commission believes bond proceeds are needed.
31. Proceeds from the Credit-Sale Contract Indemnity Fund may be needed to meet the licensee's obligations to any holders of credit-sale contracts. North Dakota Century Code section 60-10-05 provides:

Upon the insolvency of a licensed public warehouse or grain buyer and a declaration that the Public Service Commission serve as the trustee, the Public Service Commission shall make the proceeds of the credit-sale contract indemnity fund available for use in meeting the licensee's obligations with respect to the reimbursement of any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated in accordance with the contract.

32. **WHEREFORE** the Public Service Commission respectfully requests:
33. That the Court issue *ex parte* a temporary **ORDER**:
- a. Requiring Grand Forks Bean Company, Inc. to preserve and protect any trust assets under North Dakota Century Code section 60-04-03.1 and

- b. Authorizing the Commission to immediately take any action deemed necessary to preserve and protect the trust assets under North Dakota Century Code section 60-04-03.1.
34. That the Court declare Grand Forks Bean Company, Inc. **INSOLVENT** within the meaning of North Dakota Century Code Chapter 60-04 and establish the date of insolvency as December 19, 2014, the date the first claim alleging nonpayment for grain delivered or sold was filed with the Commission.
35. That the Court **APPOINT** the Commission as trustee of the trust fund under North Dakota Century Code section 60-04-03.
36. Respectfully submitted at Bismarck, North Dakota, this 13<sup>th</sup> day of **February, 2015.**

  
Ilona A. Jeffcoat-Sacco (08315)  
Casey A. Furey (08035)  
Special Assistant Attorneys General  
Public Service Commission  
600 E. Boulevard Avenue – Dept. 408  
Bismarck, ND 58505  
(701) 328-2407  
(701) 328-2410 fax

Attorneys for the Public Service Commission

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

NORTHEAST CENTRAL JUDICIAL DISTRICT

\_\_\_\_\_ )  
Public Service Commission )  
) )  
Petitioner, )  
) )  
vs. )  
) )  
Grand Forks Bean Company, Inc. )  
) )  
Respondent. )  
\_\_\_\_\_ )  
) )  
PSC Case No. GE-15-36 )  
) )  
\_\_\_\_\_ )

18-2015-CV-00240

CIVIL NO. \_\_\_\_\_

NOTICE OF APPLICATION  
FOR APPOINTMENT AS  
TRUSTEE AND FOR  
EX PARTE ORDER AND  
NOTICE OF MOTION UNDER  
RULE 3.2

TO: **Tad McGurk, President and Registered Agent for Grand Forks Bean Company, Inc.**, 2120 North Washington Street, Grand Forks North Dakota 58203-1447

Joel Arnason, Attorney for Grand Forks Bean Company, Inc., 301 North Third Street, Suite 300, Grand Forks, ND 58203

Daniel L. Gaustad, Attorney for Brent Baldwin/Baldwin Farms, and Duane Altendorf, 24 North 4<sup>th</sup> Street, PO Box 5758, Grand Forks, ND 58206-5758

Russ J. Melland, Attorney for Ronald Adams, Nickolas Adams, Chuck B. Nelson, and WJG Nelson (Jon Nelson & Steve Nelson), 401 DeMers Avenue, Suite 500, Grand Forks, ND 58206-5849


Jon R. Brakke, Attorney for Curt Amundson, and the Estate of Brad Nelson, 218 NP Avenue, Fargo, ND 58102

Tracy A. Kennedy, Attorney for Bremer Bank, National Association, 3100 South Columbia Road, Suite 200, Grand Forks, ND 58201

1. **PLEASE TAKE NOTICE** that the Public Service Commission respectfully moves the Court for Appointment as Trustee and for *Ex Parte* Order. The Public Service

Commission further moves the Court for an order declaring Grand Forks Bean Company, Inc. insolvent within the meaning of North Dakota Century Code Chapter 60-04 and establishing the date of insolvency as December 19, 2014, the date the Public Service Commission received the first claim for nonpayment for grain delivered or sold to Grand forks Bean Company, Inc.

2. The application, affidavit and brief in support of the application are attached to this notice and by reference made a part hereof.
3. **YOU ARE HEREWITH NOTIFIED** that the attached Application includes a request for appointment as trustee and declaration of insolvency as of December 19, 2014, and a request for an *Ex Parte* Order under North Dakota Century Code section 60-04-03. The application for appointment as trustee and declaration of insolvency is submitted to the Court pursuant to Rule 3.2 of the North Dakota Rules of Court and will be decided on briefs unless oral argument is timely requested. You have fourteen (14) days after the service of the notice and brief to file your response and other supporting papers.
4. Bismarck, North Dakota, 13<sup>th</sup> this day of February, 2015.



Illona A. Jeffcoat-Sacco (03315)  
Casey A. Furey (08035)  
Special Assistant Attorneys General  
Public Service Commission  
600 E. Boulevard Avenue – Dept. 408  
Bismarck, ND 58505  
(701) 328-2407  
(701) 328-2410 fax

Attorneys for the Public Service Commission

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

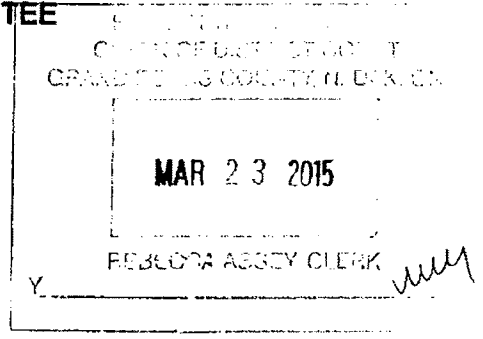
NORTHEAST CENTRAL JUDICIAL DISTRICT

\_\_\_\_\_ )  
 Public Service Commission )  
 )  
 ) **Petitioner,** )  
 )  
 ) **vs.** )  
 )  
 ) **Grand Forks Bean Company, Inc.** )  
 )  
 ) **Respondent.** )  
 )  
 \_\_\_\_\_ )  
 PSC Case No. GE-15-36 )  
 \_\_\_\_\_ )

18-2015-CV-00240

CIVIL NO. \_\_\_\_\_

**ORDER APPOINTING TRUSTEE**



1. The Public Service Commission has moved the Court for appointment as trustee of Grand Forks Bean Company, Inc. under North Dakota Century Code Chapter 60-04 and for an *Ex Parte* Order to Preserve Trust Assets. Grand Forks Bean Company, Inc., 2120 North Washington Street, Grand Forks, North Dakota 58201, operates as a grain warehouseman in the State of North Dakota.
2. It appears from the record that Grand Forks Bean Company, Inc. is insolvent under North Dakota Century Code Chapter 60-04 and that it is in the best interest of the potential claimants that a trustee be appointed.
3. **ORDERED THEREFORE**, on the Application and Motion of the Public Service Commission by and through its attorney, the Public Service Commission is appointed trustee of the trust fund provided by North Dakota Century Code

24

Chapter 60-04 for the purpose of marshalling all trust assets of the insolvent Grand Forks Bean Company, Inc. in the manner provided by law.

4. **ORDERED FURTHER** that the date of insolvency be established as December 19, 2014.

Grand Forks, North Dakota, this 22<sup>nd</sup> day of March, 2015.

BY THE COURT

Laura S. Harris Romanick  
Judge of the District Court



4. **ORDERED FURTHER** that the date of insolvency is established as on or before  
December 19, 2014.

Grand Forks, North Dakota, this 25<sup>th</sup> day of March, 2015.

BY THE COURT

Lewie J. Hault Romaneck  
Judge of the District Court

2191053.1

IN DISTRICT COURT, GRAND FORKS COUNTY, STATE OF NORTH DAKOTA

Public Service Commission,	)	
	)	
Petitioner,	)	
	)	
vs.	)	Civil No. 18-2015-CV-00240
	)	
Grand Forks Bean Company, Inc.	)	
Bremer Bank, National Association,	)	<b>CLAIM OF BREMER BANK,</b>
	)	<b>NATIONAL ASSOCIATION</b>
Respondents.	)	
	)	
_____	)	
PSC Case No. GE-15-36	)	

**CLAIM OF BREMER BANK, NATIONAL ASSOCIATION**

COMES NOW, Claimant Bremer Bank, National Association, by and through its Attorneys Tracy A. Kennedy and John D. Schroeder, for and as its Claim in response to Petitioner’s *Notice of Appointment as Trustee and Notice to File Claims*, alleges and states as follows:

¶1 Bremer Bank, National Association (“Bremer”) is a bank formed under the National Banking Act, with its principal place of business at 3100 S. Columbia Rd. Grand Forks, North Dakota. Bremer Bank is authorized to do business in North Dakota.

¶2 Grand Forks Bean Company, Inc. (“Grand Forks Bean”) loaned money from Bremer. The amount owed by Grand Forks Bean to Bremer is principal in the amount of \$878,708.94, accrued interest at the variable rate of 4.25% per annum as stated in the loan documents through April 22, 2015, of \$14,905.60, and interest per day of \$103.7364721 after that date. Attached hereto as **Exhibit A** is a copy of Bremer’s loan transaction records documenting the above figures.

¶3 As part of that financing, Grand Forks Bean pledged to Bremer certain of its personal

property assets including all “inventory” to Bremer to secure the loans, among other categories of collateral. Attached hereto, and incorporated herein by reference, as **Exhibit B to E** are security agreements executed by Grand Forks Bean Company, Inc. describing the property pledged to Bremer, dated October 20, 2011, September 12, 2012, November 9, 2012, and October 14, 2013. The categories of collateral pledged include “inventory”, “accounts”, “equipment”, “general intangibles”, and “chattel paper”, as well as other collateral attached to or traceable to these categories.

¶4 Bremer has perfected its security interest through the filing of UCC-1 Financing Statements with the North Dakota Secretary of State’s office. Attached hereto, and incorporated herein by reference, as **Exhibit F** is the filed UCC financing statement in favor of Alerus Financial dated September 30, 2005; **Exhibit G** is the filed UCC financing continuation statement in favor of Alerus Financial dated August 10, 2010; **Exhibit H** is the filed UCC financing statement assignment from Alerus Financial to Bremer dated October 3, 2011; **Exhibit I** is another filed UCC financing statement in favor of Bremer dated January 6, 2012.

¶5 Grand Forks Bean was in default under the terms of the security agreements and other loan documents with Bremer. Recognizing this default, Bremer and Grand Forks Bean entered into a Loan Workout Agreement, dated January 7, 2015, a copy of which is attached hereto and incorporated herein by reference as **Exhibit J**. Due to the institution of this insolvency proceeding against Grand Forks Bean, it is now in default of the Loan Workout Agreement.

¶6 The Commission and any other claimants have not filed with the North Dakota Secretary of State’s office any type of financing statement against Grand Forks Bean. On

information and belief, there is no security agreement between either the Commission or any other claimants and Grand Forks Bean.

¶7 Bremer's perfected security interest has a first priority lien to all of the inventory, including but not limited to any and all grain inventory, and other categories of collateral of Grand Forks Bean described in any security agreement and financing statement between Bremer and Grand Forks Bean, and all proceeds therefrom as and against any claims of either the Commission or any other claimants.

¶8 The Commission seeks to gain control of and disperse proceeds, as trust assets, realized from the sale of Grand Forks Bean's inventory which has been pledged as collateral to Bremer and is subject to Bremer's first priority lien.

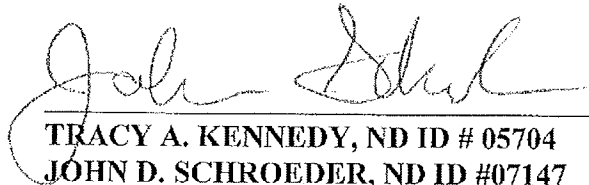
¶9 WHEREFORE, Bremer prays the Commission Recommend in its Report, and ultimately that the Court grant, the following relief:

- a. Determine Bremer is entitled to the first distribution, prior to distribution to any other claimant, from the trust assets the sum of \$ 893,614.54 through April 22, 2015, and interest at the rate of \$103.7364721 per day for each day thereafter, or if the funds available in the trust are less than that sum, then the entire funds in the trust;
- b. *In the Alternative*, determine Bremer is entitled to the second distribution, following distribution to valid receiptholders an amount necessary to pay the value of the unredeemed valid receipts of Grand Forks Bean as of the date Grand Forks Bean became insolvent, but prior to distribution to any other claimant, from the trust assets the sum of \$ 893,614.54 through April 22, 2015, and interest at the rate of \$103.7364721 per day for each day thereafter, or if the funds available in the trust are less than that sum, then the entire funds in the trust remaining after distribution to

valid receipt holders;

- c. For no distribution of any trust assets to the Commission for any expenses incurred herein, prior to the full amount of Bremer's claim having been satisfied; and
- d. For such further relief determined to be just and equitable.

Dated this 23 day of April, 2015.



---

**TRACY A. KENNEDY, ND ID # 05704**

**JOHN D. SCHROEDER, ND ID #07147**

Zimney Foster P.C.

3100 South Columbia Road, Suite 200

Grand Forks ND 58201

Telephone: (701) 772-8111

Fax: (701) 772-7328

[tracykennedy@northdakotalaw.net](mailto:tracykennedy@northdakotalaw.net)

[jschroeder@northdakotalaw.net](mailto:jschroeder@northdakotalaw.net)

Attorneys for Bremer Bank, National  
Association

**EXHIBIT A**

Grand Forks Bean Company Inc  
997-3 Note - 3 Month Comm'l Line

18-2015-CV-00240

[Change Quote...](#)

**Payoff Summary**

Total payoff: 893,614.54  
As of: 04/22/2015  
Total daily accrual: 103.7364721

**Payoff Detail**

Current principal: 878,708.94  
Interest: 14,905.60  
Late charges: 0.00  
Total payoff: 893,614.54

*pa*  
*Int*  
Daily accrual of 103.7364721

**Participations**

4010 - 1 - Bank Of North Dakota  
Current principal: 432,208.95  
Interest: 7,356.64  
Total payoff: 439,565.59

Daily accrual of: 51.0246677

**Note Information**

Category:	C - Commercial	Transactions allowed:	- All transactions
TLC:	No	Teller activity:	0.00
Participation:	Yes	Quote issued:	No
Interest type:	S - Simple, in arrears	Loan status:	N - Not accruing
Accrual basis:	0 - Actual/360	Interest accrual:	14,905.6040912
Earn/rebate method:	1 - Accruing (simple interest)	Interest paid to:	12/01/2014
Collateral description:	See Multiple Collateral		



2011

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Office	Initials
8,250,000.00	10-20-2011	04-15-2012	9930	10 / 3191	1085	133	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

Grantor: GRAND FORKS BEAN COMPANY, INC.  
2120 N WASHINGTON ST  
GRAND FORKS, ND 58203

Lender: Bremer Bank, National Association  
Grand Forks Office  
3100 South Columbia Road  
Grand Forks, ND 58208

THIS COMMERCIAL SECURITY AGREEMENT dated October 20, 2011, is made and executed between GRAND FORKS BEAN COMPANY, INC. ("Grantor") and Bremer Bank, National Association ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All Inventory, Accounts and Equipment

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable law.

COMMERCIAL SECURITY AGREEMENT  
(Continued)

Loan No: 3930

Page 2

and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

**Location of the Collateral.** Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

**Removal of the Collateral.** Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of North Dakota, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

**Transactions Involving Collateral.** Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

**Title.** Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

**Repairs and Maintenance.** Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

**Inspection of Collateral.** Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

**Taxes, Assessments and Liens.** Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

**Compliance with Governmental Requirements.** Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

**Hazardous Substances.** Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

**Maintenance of Casualty Insurance.** Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such policies payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this

Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

**Application of Insurance Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

**Insurance Reserves.** Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

**Insurance Reports.** Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

**Financing Statements.** Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

**GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS.** Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral. If Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Grantor fails to make any payment when due under the Indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Default in Favor of Third Parties.** Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Insolvency.** The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**COMMERCIAL SECURITY AGREEMENT  
(Continued)**

Loan No: 3930

Page 4

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the North Dakota Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

**Accelerate Indebtedness.** Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

**Assemble Collateral.** Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

**Sell the Collateral.** Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the Rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Collect Revenues, Apply Accounts.** Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

**Obtain Deficiency.** If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

**Other Rights and Remedies.** Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

**Election of Remedies.** Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses.** Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection expenses. Grantor also shall pay all court costs and additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the

provisions of this Agreement.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Dakota without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of North Dakota.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and, in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**Power of Attorney.** Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Successors and Assigns.** Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the indebtedness.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Agreement.** The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

**Borrower.** The word "Borrower" means GRAND FORKS BEAN COMPANY, INC. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Collateral.** The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

**Default.** The word "Default" means the Default set forth in this Agreement in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**Grantor.** The word "Grantor" means GRAND FORKS BEAN COMPANY, INC..

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and

COMMERCIAL SECURITY AGREEMENT  
(Continued)

Loan No: 3930

interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

**Lender.** The word "Lender" means Bremer Bank, National Association, its successors and assigns.

**Note.** The word "Note" means the Note executed by GRAND FORKS BEAN COMPANY, INC. in the principal amount of \$250,000.00 dated October 20, 2011, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

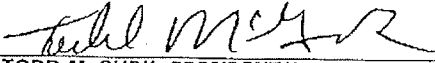
**Property.** The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED OCTOBER 20, 2011.

GRANTOR:

GRAND FORKS BEAN COMPANY, INC.

By:   
TODD MCGURK, PRESIDENT/SEC of GRAND FORKS  
BEAN COMPANY, INC.



2012\*

## COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$250,000.00	09-12-2012	10-12-2012	0494	10 / 3190	1085	133	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

Grantor: GRAND FORKS BEAN COMPANY, INC.  
2120 N WASHINGTON ST  
GRAND FORKS, ND 58203

Lender: Bremer Bank, National Association  
Grand Forks Office  
3100 S Columbia Rd  
PO box 13118  
Grand Forks, ND 58208

THIS COMMERCIAL SECURITY AGREEMENT dated September 12, 2012, is made and executed between GRAND FORKS BEAN COMPANY, INC. ("Grantor") and Bremer Bank, National Association ("Lender").

**GRANT OF SECURITY INTEREST.** For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**COLLATERAL DESCRIPTION.** The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

**CROSS-COLLATERALIZATION.** In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL.** With respect to the Collateral, Grantor represents and promises to Lender that:

**Perfection of Security Interest.** Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

**Notices to Lender.** Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

**No Violation.** The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

**Enforceability of Collateral.** To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined in the Uniform Commercial Code, this Agreement shall be enforceable against Grantor and its successors, assigns, and transferees.

**COMMERCIAL SECURITY AGREEMENT  
(Continued)**

Loan No: 0494

Page 2

Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

**Location of the Collateral.** Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

**Removal of the Collateral.** Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of North Dakota, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

**Transactions Involving Collateral.** Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

**Title.** Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

**Repairs and Maintenance.** Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

**Inspection of Collateral.** Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

**Taxes, Assessments and Liens.** Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

**Compliance with Governmental Requirements.** Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

**Hazardous Substances.** Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

**Maintenance of Casualty Insurance.** Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable

**COMMERCIAL SECURITY AGREEMENT  
(Continued)**

Loan No: 0494

Page 3

or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

**Application of Insurance Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

**Insurance Reserves.** Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

**Insurance Reports.** Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

**Financing Statements.** Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

**GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS.** Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement: ---

**Payment Default.** Grantor fails to make any payment when due under the indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Default in Favor of Third Parties.** Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Insolvency.** The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

COMMERCIAL SECURITY AGREEMENT  
(Continued)

Loan No: 0494

Page 4

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the North Dakota Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

**Accelerate Indebtedness.** Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

**Assemble Collateral.** Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

**Sell the Collateral.** Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the Rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Collect Revenues, Apply Accounts.** Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness of Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

**Obtain Deficiency.** If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

**Other Rights and Remedies.** Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

**Election of Remedies.** Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses.** Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the

Loan No: 0494

COMMERCIAL SECURITY AGREEMENT  
(Continued)

Page 5

provisions of this Agreement.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Dakota without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of North Dakota.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**Power of Attorney.** Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Successors and Assigns.** Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the indebtedness.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Agreement.** The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

**Borrower.** The word "Borrower" means GRAND FORKS BEAN COMPANY, INC. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Collateral.** The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

**Default.** The word "Default" means the Default set forth in this Agreement in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**Grantor.** The word "Grantor" means GRAND FORKS BEAN COMPANY, INC..

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and

COMMERCIAL SECURITY AGREEMENT  
(Continued)

Loan No: 0494

interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

**Lender.** The word "Lender" means Bremer Bank, National Association, its successors and assigns.

**Note.** The word "Note" means the Note executed by GRAND FORKS BEAN COMPANY, INC. in the principal amount of \$250,000.00 dated September 12, 2012, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.


**Property.** The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED SEPTEMBER 12, 2012.

GRANTOR:

GRAND FORKS BEAN COMPANY, INC.

By:   
TODD MCGURK, PRESIDENT/SEC of GRAND FORKS  
BEAN COMPANY, INC.

LASER PRO Lending, Ver. 3.29.00.103 Copy: Harford Financial Solutions, Inc. 1997, 2012. All Rights Reserved. - NO. c:\NFN\PLN40.FC TR-182265 PR-62



2012\*

18-2015-CV-00240

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,000,000.00	11-09-2012	10-15-2013	0997	11 / 3190	1085	133	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Grantor:** GRAND FORKS BEAN COMPANY INC.  
2120 N WASHINGTON ST  
GRAND FORKS, ND 58203

**Lender:** Bremer Bank, National Association  
Grand Forks Office  
3100 S Columbia Rd  
PO box 13118  
Grand Forks, ND 58208

THIS COMMERCIAL SECURITY AGREEMENT dated November 9, 2012, is made and executed between GRAND FORKS BEAN COMPANY INC. ("Grantor") and Bremer Bank, National Association ("Lender").

**GRANT OF SECURITY INTEREST.** For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**COLLATERAL DESCRIPTION.** The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the Indebtedness and performance of all other obligations under the Note and this Agreement:

All Inventory, Accounts and Equipment

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

**CROSS-COLLATERALIZATION.** In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL.** With respect to the Collateral, Grantor represents and promises to Lender that:

**Perfection of Security Interest.** Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

**Notices to Lender.** Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

**No Violation.** The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

**Enforceability of Collateral.** To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the

**COMMERCIAL SECURITY AGREEMENT  
(Continued)**

Loan No: 0997

Page 2

Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

**Location of the Collateral.** Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

**Removal of the Collateral.** Except in the ordinary course of Grantor's business, including the sales of Inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of North Dakota, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

**Transactions Involving Collateral.** Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

**Title.** Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

**Repairs and Maintenance.** Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

**Inspection of Collateral.** Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

**Taxes, Assessments and Liens.** Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

**Compliance with Governmental Requirements.** Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

**Hazardous Substances.** Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

**Maintenance of Casualty Insurance.** Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Grantor holds or is offered a security interest, Grantor shall provide Lender with such loss payable

**COMMERCIAL SECURITY AGREEMENT  
(Continued)**

Loan No: 0997

Page 3

or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

**Application of Insurance Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

**Insurance Reserves.** Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

**Insurance Reports.** Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

**Financing Statements.** Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

**GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS.** Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Grantor fails to make any payment when due under the indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Default in Favor of Third Parties.** Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Insolvency.** The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.