

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 0997

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 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 shall not be used to interpret or define the

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 0997

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: 0997

Page 6

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 dated November 9, 2012 and executed by GRAND FORKS BEAN COMPANY INC. in the principal amount of \$1,000,000.00, 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 NOVEMBER 9, 2012.

GRANTOR:

GRAND FORKS BEAN COMPANY INC.

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



2013*

COMMERCIAL SECURITY AGREEMENT

18-2015-CV-00240

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,000,000.00	10-14-2013	10-15-2014	997-3	405 / UC	1781	60077	

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 58203-1447

Lender: Bremer Bank, National Association
Grand Forks Office
3100 S Columbia Rd
PO Box 13118
Grand Forks, ND 58201

THIS COMMERCIAL SECURITY AGREEMENT dated October 14, 2013, 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; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds)

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, of 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.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 997-3

Page 2

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 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

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 997-3

Page 3

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 loss 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.

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

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 997-3

Page 4

of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

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 services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 997-3

Page 5

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.

COMMERCIAL SECURITY AGREEMENT
(Continued)

Loan No: 997-3

Page 6

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and 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 dated October 14, 2013 and executed by Grand Forks Bean Company, Inc. in the principal amount of \$1,000,000.00, 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 OCTOBER 14, 2013.

GRANTOR:

GRAND FORKS BEAN COMPANY, INC.

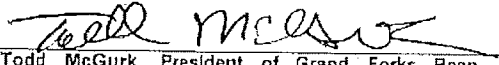
By: 
Todd McGurk, President of Grand Forks Bean
Company, Inc.

EXHIBIT F

18-2015-CV-00240

UNIFORM COMMERCIAL CODE FINANCING STATEMENT - UCC-1

FILE NUMBER	DATE	TIME	COUNTY FILED
D 05-000274431-0	09/30/2005	03:54:21.3 PM	ND SEC OF ST

DEBTORS:

ORGANIZATION
 GRAND FORKS BEAN COMPANY INC.
 2120 N WASHINGTON ST
 GRAND FORKS ND 58203 1447

SECURED PARTIES:

ORGANIZATION
 ALERUS FINANCIAL N.A.
 2300 S COLUMBIA RD PO BOX 6001
 GRAND FORKS ND 58206 6001

COLLATERAL INFORMATION:

COLLATERAL

ALL INVENTORY, EQUIPMENT, ACCOUNTS, INSTRUMENTS, DOCUMENTS, CHATTEL PAPER, GENERAL INTANGIBLES, DEPOSIT ACCOUNTS NOW OWNED & OWNED IN THE FUTURE.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Alerus Financial, N. A.
P.O. Box 6001
Grand Forks, ND 58206-6001

ND-507

09-30-05 3:54p.m.

05-274431-0

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR Grand Forks Bean Company Inc.

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

2120 N Washington St

CITY

Grand Forks

STATE

ND

POSTAL CODE

58203-1447

COUNTRY

1d. TAX ID #: SSN OR EIN

3048

ADD'L INFO RE ORGANIZATION DEBTOR

1e. TYPE OF ORGANIZATION

1f. JURISDICTION OF ORGANIZATION

ND

1g. ORGANIZATIONAL ID #, if any

21261200

NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID #: SSN OR EIN

ADD'L INFO RE ORGANIZATION DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR Alerus Financial, N. A.

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

P.O. Box 6001

CITY

Grand Forks

STATE

ND

POSTAL CODE

58206-6001

COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

All inventory, equipment, accounts, instruments, documents, chattel paper, general intangibles, deposit accounts now owned and owned in the future.

SEP 3 2005

EBS

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOB SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] (optional)

All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

Handwritten notes at the bottom of the page.



** CONTINUATION **

WK ORD 705640

FILE NO: 10-000616146

DATE: 08/10/2010

TIME: 12.45.38.0 PM

FILING OFFICE: ND SEC OF ST

OFFICER: ALVIN A. JAEGER

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
 Phone [REDACTED]

B. SEND ACKNOWLEDGEMENT TO: (Name and Mailing Address) 7066 ALERUS FINANCIAL

CT Lien Solutions
 P.O. Box 29071
 Glendale, CA 91209-9071 NDND

FILE NO: 10-000616146

NUMBER OF PAGES: 1

GRAND FORKS BEAN UCC

ORIG. FILE NO: 05-000274431-0

FEB: 10.00

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
05-000274431-0 30-SEP-2005 SS ND

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in Item 7a or 7b and address of assignee in 7c; and also give name of assignor in Item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in Item 6a or 6b; also give new name (if name change) in Item 7a or 7b and/or new address (if address change) in Item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete Item 7a or 7b, and also Item 7c; also complete Items 7d-7g (if applicable)

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTION ADDL INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
ALERUS FINANCIAL, N.A.

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

Debtor Name: Grand Forks Bean Company Inc 510

18-2015-CV-00240

** ASSIGNMENT **

WK ORD 824329

FILE NO: 11-000697972

DATE: 10/03/2011

TIME: 03:50:23.4 PM

FILING OFFICE: ND SEC OF ST

OFFICER: ALVIN A. JAEGER

FILE NO: 11-000697972

NUMBER OF PAGES: 1

GRAND FORKS BEAN UCC

ORIG. FILE NO: 05-000274431-0

FEE: 10.00

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
 Kim Nelson Phone [REDACTED]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
 Bremer Bank, National Association
 3100 South Columbia Road
 Grand Forks, ND 58208

1a. INITIAL FINANCING STATEMENT FILE #
 #05-000274431-0

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c, and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name and address of a party.
 DELETE name: Give record name to be deleted in item 8a or 8b.
 ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME
 Bremer Bank, National Association

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS
 3100 S. Columbia Road
 city Grand Forks STATE ND POSTAL CODE 58208 COUNTRY Grand Forks

7d. SET INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBITOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATION ID #, if any NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
 Describe collateral deleted or added, or give entire restricted collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
 Alerus Financial, NA

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

EXHIBIT I

18-2015-CV-00240

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
ANGIE BAUMANN *Dilling* #

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Bremer Bank, National Association
 Grand Forks Office
 3100 South Columbia Road
 Grand Forks, ND 58208-3118**

FILE NUMBER: 12-000716255-9
 DATE: 01/06/2012 TIME: 03.04.11.4 PM
 FILING OFFICE: GRAND FORKS OFFICER: GARLYNN HELMOSY

FILE NUMBER: 12-000716255-9 PAGES: 1
 GRAND FORKS BEAN C UCC

FEE: 15.00 PAID: .00 BALANCE: 15
 ACCOUNT BILLED: 14077116

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
GRAND FORKS BEAN COMPANY, INC.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
2120 N WASHINGTON ST GRAND FORKS ND 58203 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION Corporation 1f. JURISDICTION OF ORGANIZATION ND 1g. ORGANIZATIONAL ID #, if any **21261200** NON

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any NON

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR B/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Bremer Bank, National Association

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
3100 South Columbia Road Grand Forks ND 58208 USA

4. This FINANCING STATEMENT covers the following collateral:

All Inventory, Accounts and Equipment; whether any of the foregoing is owned now or acquired later; all acccessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds).

5. ALTERNATIVE DESIGNATION (if applicable): LESSOR/LESSOR CONSIGNEE/CONSIGNOR BAILEY/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or receive) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT (s) on Debtor(s) (Additional Fee) (optional) All Debtors Debtor 1 Debtor

8. OPTIONAL FILER REFERENCE DATA

LOAN WORKOUT AGREEMENT

- A. **Parties to this Loan Workout Agreement (“Agreement”)** are as follows:
- **Grand Forks Bean Company, Inc.**, 2120 N. Washington Street, Grand Forks, ND 58203 (“Borrower”);
 - **Bremer Bank, National Association**, 3100 South Columbia Road, Grand Forks, ND 58201, and any and all Participants of the Loan described in this Agreement (“Bank”);
 - **Tad McGurk, as Personal Representative of the Estate of Todd McGurk**, deceased, Grand Forks, ND, (“Guarantor”).
- B. **Effective date of this Agreement** is the 7th day of January, 2015.
- C. **Purpose and Background of this Agreement.** The Borrower is indebted to the Bank on the Loans described in this Loan Workout Agreement below, which are secured by various categories of chattel and personalty, and guaranteed by Todd McGurk (deceased). The parties have negotiated this Agreement in an effort to avoid the hardship, expense, and time consumption of collection and litigation, and desire to set forth their understanding here.
- D. **The Borrower’s Loans and indebtedness which are the subject of this Agreement are summarized as follows:**
- Bank Loan # 997-3 (“**Loan**”) evidenced by a Promissory Note (“**Note**”) dated October 14, 2013 in the principal face amount of \$1,000,000, executed and made by Borrower as Borrower in favor of Bank as Lender. The Loan is documented by a Business Loan Agreement dated October 13, 2014, is secured by a Security Agreement dated October 14, 2013, and guaranteed by Todd McGurk by a Commercial Guaranty dated October 14, 2013; as part of entering into this Agreement Borrower is executing a Mortgage on certain real property described further in said mortgage (collectively the above with the Note the “**Loan Documents**”). The balance due as of January 5, 2015 is \$878,708.94 principal, \$3,805.50 accrued interest, for a total of \$882,514.44 and \$103.74 interest per diem thereafter.
- E. **Loan Security.** The Loan is currently secured by a security interest granted in a Security Agreement by Borrower in favor of Bank in all of Borrower’s Inventory, Equipment, and Accounts, now existing or hereafter acquired and all products and proceeds of the foregoing. This security interest is perfected by virtue of the filing in the public record by appropriate filing of UCC Financing Statements.
- F. **Guarantor.** The Loan was also Guaranteed by Todd McGurk, now deceased. The guaranty document executed by Todd McGurk is binding on his heirs and assigns. Further Todd McGurk waived all defenses against the enforcement of the guaranty except for the payment in

full of the debt. Therefore, Guarantor, as the representative of the Estate of Todd McGurk, deceased, is fully liable for the payment of the Loan and has no defenses to the enforceability of the guaranty except for payment in full of the Loan.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION ACKNOWLEDGED AS HAVING BEEN EXCHANGED BY THE PARTIES, THE PARTIES AGREE AS FOLLOWS:

1. **Acknowledgment of Accuracy of Recitals.** The Borrower and Guarantor acknowledge the above recitals are true and correct, and are incorporated into this Agreement by reference.
2. **Acknowledgment of Default.** The Borrower and Guarantor herein acknowledge that the Loan and Security Agreement are in default for reason of subjecting collateral to a charge or encumbrance, default in favor of Third Parties including "defaults under any...purchase or sales agreement", and a default exists because of an "Insolvency" which includes the "termination of Grantor's existence as a going business". Lastly, Creditor or Forfeiture Proceedings is a default, events affecting Grantor is a default as well Adverse Change of the Grantor's financial condition and Insecurity.
3. **Acknowledgement of Validity and Enforceability of Loans and Security.** The Borrower herein acknowledges that the Loans and security documents described in this Agreement are all valid, binding, perfected and enforceable, and subject to no defenses to payment or enforceability.
4. **Acknowledgment of Amount Owed.** The Borrower herein acknowledges that the outstanding indebtedness owed to Bank as of January 5, 2015 on the Loan is as follows:
 - a. Bank Loan # 997-3 dated October 14, 2013, balance due is \$878,708.94 principal, \$3,805.80 accrued interest, and \$103.74 interest per diem.
5. **Borrower Acknowledgment of Liability.** Borrower acknowledges that it is unconditionally liable for the amounts due under the Loan, as stated above, and that it has no defense, offset, counterclaim or recoupment to the collection of the indebtedness or the enforcement of the Notes, security documents involved herein, this Agreement, or the documents executed in conjunction with this Agreement. The Borrower acknowledges that the Bank, in entering into this Agreement, is relying on the truthfulness of the statements, warranties, representations, and agreements of the Borrower. The Borrower represents and warrants that this Agreement and the existing Loan documents were freely negotiated in good faith between the parties and entered into without duress, misapprehension, or undue influence.
6. **Guarantor Acknowledgment of Liability.** Guarantor acknowledges that in his representative capacity the Guarantor is unconditionally liable for the amounts due under

the Loans, as stated above, and that the Guarantor has no defense, offset, counterclaim or recoupment to the collection of the indebtedness or the enforcement of the Notes, security documents involved herein, this Agreement, or the documents executed in conjunction with this Agreement. The Guarantor acknowledges that the Bank, in entering into this Agreement, is relying on the truthfulness of the statements, warranties, representations, and agreements of the Guarantor. The Guarantor represents and warrants that this Agreement and the existing Loan documents were freely negotiated in good faith between the parties and entered into without duress, misapprehension, or undue influence.

7. **Acknowledgment of Acceleration Clause.** The Borrower and Guarantor acknowledge the validity of the acceleration clauses contained in the Loan documents and security documents referenced herein. The Borrower and Guarantor further acknowledge the Bank's right to have accelerated the Loan referenced herein upon the Borrower's failure to timely cure its default, except as limited by North Dakota law.
8. **Balance of Note to be timely paid according to the following terms as a condition of forbearance.** As a condition upon which Bank forbears taking further legal default and collection remedies under law and contract for the Note not being paid in full due to the default of Borrower, Borrower herein covenants to pay the balance otherwise due in full April 1, 2015 at which time Note # 997-3 shall mature and will be due in full.

Time is of the essence for the payments described above. Interest shall continue to accrue on the principal remaining balance of the Note during the period of forbearance described in this Agreement at the same rate as it was accruing prior to the date of this Agreement. Bank will apply the payments on the balance of the Note made by Borrower as stated above to accrued interest first and principal last.

9. **Agreement to surrender collateral.** Borrower agrees not to object to the Bank's right of repossession of all of the personal property and chattels securing the Loan to the Bank, including but not limited to all dry edible bean inventory, and the Bank may store the collateral in place until disposition can take place. The Bank may, without any objection of Borrower, dispose of the collateral in a reasonable manner, with application of the proceeds of disposition as a credit to the loan balance. Contemporaneously with this Agreement Borrower shall grant Bank a Mortgage on real property specifically described below and commonly known as 2120 N. Washington Street, Grand Forks, ND. Bank herein agrees to first look to the proceeds, if any, of any sale of the dry edible bean inventory, then to any other collateral (including real estate collateral), and finally to the guaranty of the Guarantor.

- a. Surrender of collateral and reservation of deficiency rights. Pursuant to Section 9-609 of the Uniform Commercial Code as enacted in North Dakota, Borrower hereby agrees to commit not breach of peace and consents to the Bank keeping the collateral on site and to keep it secure and safe from theft, damage from the elements or otherwise, and from deterioration in value, and Borrower hereby

without opposition and peacefully surrenders to the Bank all of the collateral described in said Section E of this Agreement, so that the Bank can make commercially reasonable arrangements to dispose of the collateral. Borrower consents to any and all actions Bank may take in furtherance of disposing of the collateral, including the disclosure of information that would otherwise be confidential under law.

Borrower hereby agrees Bank may store the dry edible bean inventory in its current location without charge or any type of storage or handling fee. Borrower further grants Bank the right to access Borrower's storage facilities at any reasonable time, and without notice, for the purpose of monitoring and removing the dry edible bean inventory.

Borrower herein covenants it will make itself available and will execute any transfer documents or instruments required to complete transfer and surrender of all of Borrower's rights to the Bank in the event the within instrument is insufficient to do so.

This peaceable surrender of collateral by Borrower to the Bank herein operates to satisfy the indebtedness owed by the Borrower to the Bank only to the extent of the net recovery to the Bank from resale or other disposition of the collateral. The phrase "net recovery to the Bank" means the sale or other disposition proceeds remaining after deduction from the gross proceeds of the reasonable expenses of preparing the collateral for sale or other disposition, advertising the sale or other disposition, and paying commissions and other reasonable expenses of selling or otherwise disposing of the collateral, and paying superior liens, if any.

After applying the net recovery to the Bank to the total indebtedness owed by the Borrower to the Bank, the Borrower shall remain liable to the Bank for any deficiency, plus interest.

b. Disposition of collateral and rights to notice, surplus and redemption rights. The parties herein agree that the Bank may dispose of the collateral by sale, lease or otherwise, in any manner it deems fit as long as the sale or other disposition is conducted in a reasonable manner. Borrower (as well as inferior lienholders) are entitled to receive in writing from the Bank notice of the method, time and place of sale or other disposition of the collateral by the Bank.

Should there be a surplus of proceeds after application of the net recovery to the indebtedness, the surplus shall be remitted to the Borrower (and as stated above,

should there be any deficiency, the Borrower shall remain obligated to the Bank for such deficiency until it is paid or compromised).

The Borrower has the right to redeem the collateral prior to sale or prior to the Bank entering into a contract for sale, in cash for the amount of all loan debt owed, as permitted by the Uniform Commercial Code as enacted in North Dakota.

Nothing herein prevents the Borrower from being a cash buyer at any public sale of the collateral (such as an auction sale) as long as the Borrower is present and pays, on the day of the sale, the highest cash bid for any item of collateral sold at the public sale.

The Bank reserves the right to set in good faith and in a commercially reasonable manner "floor" or "minimum" prices for which it will permit collateral to be sold.

c. This transaction is not a bulk sale. The parties to this Agreement herein acknowledge and understand that this transaction is not a bulk sale or bulk transfer under the Uniform Commercial Code, in such jurisdictions where bulk sales law are in force. Rather, the parties acknowledge and understand this transaction is one of the exceptions to the bulk sale and bulk transfer law because this transfer is in settlement or realization of liens and security interests held by the Bank as secured party.

10. **Setoff of accounts.** The Bank has the right to setoff all Borrower's accounts with Bank (whether by checking, savings, or some other account). This right of setoff includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future, except as limited by the terms of the prior loans and by law. The Bank is not obligated to honor any debit transactions from Borrowers accounts, whether automatic debits, checks, or otherwise. If an item is returned to a payee due to lack of funds, all of Borrower's accounts with Lender will become subject to be setoff against the loans described above. The Bank is not obligated to cover any debits to any of Borrower's accounts without funds available.
11. **Grant of Mortgage.** Borrower shall grant to Bank a mortgage on the following described property: Lot Two (2), Block One (1), State Mill Addition to the City of Grand Forks, North Dakota. This Mortgage is given to Bank by Borrower contemporaneously with the execution of this Agreement. Bank may record this mortgage in the real estate records without any prior notice to Borrower and charge any recording fee to the Loan.

12. **Fees, costs, expenses and attorney's fees.** All of the Bank's costs and attorney's fees, including the drafting of this Agreement, shall be paid by Borrower and shall be added to the balance of indebtedness of the Borrower.
13. **Default.** Default under this Agreement shall consist of failure of the Borrower to perform any of the covenants they have herein made, or of the Borrower's failure to meet the deadlines prescribed in this Agreement. Default shall also occur in the event of any misrepresentation made by the Borrower or upon the filing of bankruptcy by the Borrower or the commencement of any insolvency proceedings against Borrower (including but not limited to any proceeding under N.D.C.C. ch. 60-04). If there is any change or deterioration in the condition of the Borrower, financial or otherwise, which causes the Bank in good faith to deem itself insecure or to be at risk of non-collection of all or any part of the indebtedness, the Bank may declare default under this workout agreement.
14. **Remedies.** In the event of default of this Agreement, the Bank may exercise such additional rights and remedies as are available to an aggrieved creditor pursuant to the Loan documents and the laws of the State of North Dakota, including but not limited to immediate possession of all chattels and personalty and foreclosure of the Mortgage given herein.
15. **In the event of foreclosure and disposition of the real estate.** In the event the sale of Borrower's dry edible bean inventory is insufficient to fully repay the Loan indebtedness, Borrower shall immediately upon demand of the Bank execute a deed in lieu of foreclosure which shall be delivered in escrow with Bank's attorney, Tracy A. Kennedy at Zimney Foster P.C. Said deed in lieu of foreclosure shall contain anti-merger language, which preserves the Mortgage liens held by the Bank, notwithstanding the Bank taking title, so that the Bank can protect itself against inferior liens and encumbrances on the real estate. The Borrower herein acknowledges that if the Bank, in its sole discretion, takes transfer of title and records the deed (which Borrower specifically authorizes Bank to so do without notice), if there are inferior liens and encumbrances on the real estate, the Bank must initiate a foreclosure action to cleanse the title of such inferior liens and encumbrances. Accordingly, and notwithstanding the surrender by the deed in lieu of foreclosure of their right, title, interest and redemption rights, the Borrower consents to be named as a party in the foreclosure action for purposes of properly cleansing the title of any inferior liens and encumbrances. Borrower covenants and agrees that it will not object to, interfere with, defend, or otherwise impair or impede the Bank's efforts to prosecute the foreclosure to cleanse the title. The Bank may dispose of the real estate collateral in any manner it deems fit, as long as the sale, lease or other disposition is conducted in a commercially reasonable manner, subject to the following:
- a. Borrower will aid the Bank to target potential buyers. Upon request of the Bank, the Borrower will make itself available to aid the Bank in targeting perspective purchasers or lessees of the real estate and providing such

information as will assist the Bank in making the real estate attractive and valuable to potential buyers.

- b. Borrower will execute curative documents. In the event the Bank discovers any loan documentation concerning the real estate mortgage collateral to be insufficient, in the Bank's opinion, to protect the Bank's perfection as against other creditors, Borrower agrees to execute such reasonable curative documents as the Bank requests to aid the Bank in protecting its interests in such collateral.
16. **Bank will credit collateral proceeds recovery to the Loan.** After deducting reasonable expenses of retaking, advertising, readying the collateral for sale or other disposition, and other out-of-pocket costs directly associated with disposing of the collateral, the Bank will apply the remaining net proceeds as a credit to the Loan owed by the Borrower.
17. **Procedure in the event of a Loan and indebtedness balance shortfall.** If disposition of the collateral is insufficient to pay the Loans and other indebtedness of Borrower in full, principal and interest inclusive, the parties agree to negotiate in good faith on a plan for retirement of any such deficiency, and to refinance such deficiency with any existing collateral remaining under this Agreement or any such additional collateral as may be reasonably required to support refinancing of the deficiency. Should there be a default on the refinanced deficiency, the Bank reserves the right to realize upon any of the collateral granted to the Bank under this Agreement or pursuant to the refinancing. In the event the Borrower seeks relief under the United States Bankruptcy Code, the Bank shall be permitted to file a Proof of Claim for the full amount of any Loan balance shortfalls, principal, interest and collection costs inclusive, and the Bank reserves the right and ability to protect its interests in any such bankruptcy proceeding. Similarly, if any insolvency proceeding is initiated against Borrower under N.D.C.C. ch. 60-04 or any similar state law the Bank shall be permitted to file a Proof of Claim for the full amount of any Loan balance then outstanding, principal, interest and collection costs inclusive, and the Bank reserves the right and ability to protect its interests in any such proceeding.
18. **Borrower consents to be named in a foreclosure action by the bank against itself.** In the event the Bank commences a foreclosure lawsuit, the Borrower consents to be named as a technical defendant. The Borrower covenants not to resist, interfere with, or defend against any such suit.—
19. **Satisfaction of Real Estate Mortgages.** Upon full performance by Borrower under this Agreement and the passage of 91 days without a bankruptcy filed by or involuntarily against Borrower, the Bank will satisfy the Real Estate Mortgage referenced herein.

20. **Borrower does not contemplate filing for bankruptcy.** The Borrower represents and warrants that it is not now planning to file for bankruptcy and that it has not been threatened with an involuntary bankruptcy. In the event the Borrower files bankruptcy, Borrower agrees it will not resist, object to or interfere with any motion the Bank may make to seek relief from the automatic stay so that the Bank may obtain and dispose of its collateral.
21. **Borrower shall not resist any actions taken by Bank in any insolvency proceeding.** The Borrower represents and warrants that it is not now a party to or subject of any insolvency proceeding, under N.D.C.C. ch. 60-04 or other similar law. In the event the Borrower becomes subject to such proceeding, Borrower agrees it will not resist, object to or interfere with any motion, petition, claim, or other legal action or theory the Bank may make or assert to preserve to the Bank the highest possible priority position in all of the collateral and for fullest possible recovery of the loan.
22. **Bank does not give tax advice, legal advice or management advice.** The Borrower and Guarantor herein covenant and agree they are not relying on the Bank for any tax advice, legal advice or management advice, and any such advice they desire or need has been or will be obtained from professionals or other sources of their own choosing.
23. **Opportunity to consult with counsel.** The Borrower and Guarantor agree that they have had the opportunity to consult with their own legal counsel and other counsel regarding this Agreement, and all legal, accounting, financial, tax, and bankruptcy and other advice related to this Agreement as they deemed appropriate before entering into this Agreement, and they have independently determined to enter into this Agreement.
24. **Borrower will cure any document deficiencies upon request.** The Borrower and Guarantor agree to promptly execute any documents identified by the Bank as having a deficiency.
25. **Confidentiality.** The Bank will not disclose this Loan Workout Agreement or its contents outside the Bank except to its attorneys and any Participant of the Loan, except in the event of default this Agreement may need to become a public record in any court proceeding. The Borrower and Guarantor will not disclose this Loan Workout Agreement or its contents with the exception that the Borrower and/or Guarantor may disclose this Agreement to their attorneys and to prospective lenders and refinanciers. The recording by Bank of the Mortgage to be granted by Borrower is not a violation of this provision. Any disclosure of any information either permitted or required under N.D.C.C. § 6-08.1-02 by either the Bank or any Participant of the Loan is not a violation of this provision.
26. **Modifications in writing only.** Any modification of this Agreement, to be valid, must be in writing and signed by all parties hereto.
27. **No renewal or future financing promises.** Nothing in this Agreement shall be construed as a promise by the Bank to renew or provide future financing for the Borrower or Guarantor.

28. **Workout agreement serves multiple purposes.** The Borrower and Guarantor acknowledge and agree that in the event the Borrower files bankruptcy or is involuntarily filed into bankruptcy, the provisions of this Agreement will remain in full force and effect as an "adequate protection agreement", and any plan of reorganization or rehabilitation shall include the workout provisions as to how the Bank will be repaid under a bankruptcy plan.
29. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
30. **North Dakota Law Governs.** This Agreement shall be governed, interpreted and enforced under North Dakota law.
31. **No Waiver.** No delay or failure by the Bank in the exercise of any right or remedy under this Agreement or under law shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.
32. **All prior agreements and contracts of parties remain in effect.** Unless specified in this Agreement, all covenants, terms, and conditions of the parties original loan documents, including all promissory notes, security agreements, mortgages, and guaranty contracts, and modifications thereto shall remain in full force and effect.
33. **Release of Claims.** Borrower and Guarantor hereby release and discharge Bank (including any Loan Participant) its officers, directors, employees, and agents, including but not limited to David Gronlie of Immediate Financial Solutions, Inc., of and from any and all claims, causes of action, or liabilities of any kind or nature, now known or hereafter discovered, from whatever cause arising (collectively, "**Claims**"), all of which Claims are expressly hereby waived. This waiver and release of Claims is unconditional, immediate, and binding upon Borrower and Guarantor, and their successors in interest, for all purposes in all proceedings hereafter, including without limitation any proceedings under the United States Bankruptcy Code. This waiver and release of Claims is a material and expressly bargained-for consideration of this Agreement, severable, and independently enforceable notwithstanding a finding that any other provision hereof is unenforceable. Borrower and Guarantor irrevocably covenant and agree forever to refrain from initiating, filing, instituting, maintaining, or proceeding upon, or encouraging, advising or voluntarily assisting any other person or entity to initiate, institute, maintain or proceed upon any Claims of any nature whatsoever released in this release.

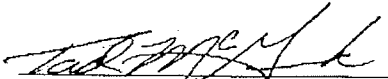
34. This Agreement may be signed in counterparts. This Agreement may be executed in counterparts, all of which gathered and taken together shall constitute one binding Agreement.

IN WITNESS WHEREOF, the parties have set their hands effective the day and year first above written.

[COUNTERPART SIGNATURES ON THE FOLLOWING THREE PAGES]

COUNTERPART SIGNATURE PAGE
LOAN FORBEARANCE AND EXTENSION AGREEMENT
Effective the 7th day of January, 2015

GRAND FORKS BEAN COMPANY, INC.



By: Tad McGurk, Its president

STATE OF NORTH DAKOTA)
)ss
COUNTY OF GRAND FORKS)

On this 14 day of January, 2015, before me personally appeared **Tad McGurk**, known to me to be the **President of Grand Forks Bean Company, Inc.**, the corporation which executed the above and foregoing instrument and acknowledged to me that on behalf of said corporation same was executed as the corporate free act and deed.

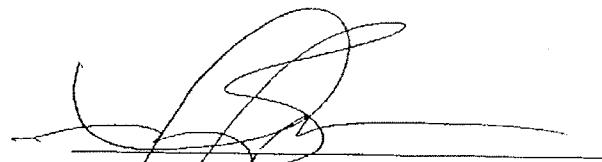
(NOTARY SEAL)

JOEL F. ARNASON
Notary Public
State of North Dakota
My Commission Expires June 24, 2017


NOTARY PUBLIC
My Commission Expires:

COUNTERPART SIGNATURE PAGE
LOAN FORBEARANCE AND EXTENSION AGREEMENT
Effective 7th day of January, 2015

BREMER BANK, NATIONAL ASSOCIATION



By: Angie Baumann, Its VP

STATE OF North Dakota,
COUNTY OF Grand Forks)ss.

On this 15th day of January, 2015 before me personally appeared Angie Baumann known to me to be the Vice-President of Bremer Bank, National Association, the banking corporation which executed the above and foregoing instrument and acknowledged to me that on behalf of said corporation same was executed as the corporate free act and deed.

(NOTARY SEAL) — —

Shirley Bakken
NOTARY PUBLIC
My Commission Expires:

SHIRLEY BAKKEN
Notary Public
State of North Dakota
My Commission Expires June 24, 2017

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

NORTHEAST CENTRAL JUDICIAL DISTRICT

Public Service Commission,

Civil No. 18-2015-CV-00240

Petitioner,

v.

**CLAIM OF THE ESTATE
OF BRAD NELSON**

Grand Forks Bean Company, Inc.,

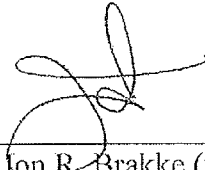
Respondent.

PSC Case No. GE-15-36

The Estate of Brad Nelson asserts a claim in the above entitled proceeding in the amount of \$54,313.20, together with interest accruing at the rate of 6% per annum from and after July 1, 2014. Said claim is based on a quantity of 1,810.44 cwt of beans priced at \$30.00 per cwt. Copies of the scale tickets issued by Grand Forks Bean Company, Inc. on said beans and the contract between Brad Nelson and Grand Forks Bean Company, Inc. are attached to this claim as **Exhibit A**.

Dated this 27th day of April, 2015.

BY:



Jon R. Brakke (#03554)

jbrakke@vogellaw.com

VOGEL LAW FIRM

218 NP Avenue

PO Box 1389

Fargo, ND 58107-1389

Telephone: 701.237.6983

ATTORNEYS FOR THE ESTATE OF

BRAD NELSON

2207779.1

Grand Forks Bean Co, Inc.

Grand Forks, ND 58203

DRY BEAN CONTRACT

1054

Year 2013 CROP

Between Grand Forks Bean Co, Inc. of Grand-Forks, North Dakota, hereinafter known as "Buyer"

and Brad Nelson, EGF, MN, hereinafter known as "Seller".

Seller agrees to deliver #1 pinto beans to the Buyer at the time of harvest, maximum 800 # per acre.

Acres 75 CWT 600

The undersigned Buyer agrees to pay to Seller for the above beans, the amounts as determined as follows:

\$ 33⁰⁰ per cwt., clean bean basis, #1's.

\$ _____ per cwt., clean bean basis, #2's.

\$ _____ per cwt., clean bean basis, #3's.

If Seller is unable to deliver commodity of the grade required by this Agreement, then Seller agrees to sell & Buyer agrees to purchase commodity of lower grades at the contract price less the applicable market discount at the time of sale. However, Buyer shall not be obligated hereunder to accept any sample grade commodity:

All beans delivered shall be below 16 % moisture or be subject to moisture discounts applicable at the time of sale.

All beans delivered hereunder shall be free and clear of all liens, security interests and other encumbrances, unless provided in writing herein by the Seller. It is further understood that the Seller has not contracted any other portion of the total acreage listed above. Title of the beans passes to the Buyer at the time and place of delivery.

In the event of breach, the Buyer shall be entitled to all costs taken in force of the same including reasonable attorneys fees.

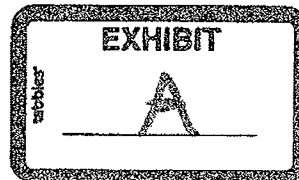
This agreement may be assigned by either party only with the prior written consent of the other party. This Agreement shall be binding upon heirs, administrators, executors, personal representatives, successors and assigns of the parties hereto.

Performance of this agreement shall be excused to the extent the growing, harvesting, or delivery of the beans by Seller or their grading, receipt, or use by Buyer, is prevented by fire, explosion, war or acts of God.

Payment shall be made as follows; 100 % on Dec-31-2013
(MONTH / DATE / YEAR)

_____ % on _____
(MONTH / DATE / YEAR)

_____ % on _____
(MONTH / DATE / YEAR)



Grand Forks Bean Co, Inc.

Seller

By: [Signature]

By: phone w/ Brad

Date: 10/16/13

Date: 10/16/12

Comments:

88230 Vehicle & Grain...LBS
27130 Vehicle.....LBS
61100 Gross Grain.....LBS
1784 Dockage.....LBS
59356 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02670

DATE 9/14/13

Name BRAD NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade _____ Bin No. _____

Splits .48 %Pick .32 %FM 2.12 %

Moist 13 % Total Dock 2.92 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

79130 Vehicle & Grain...LBS
26720 Vehicle.....LBS
52410 Gross Grain.....LBS
1048 Dockage.....LBS
51362 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02671

DATE 9/14/13

Name BRAD NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade _____ Bin No. 3/4

Splits .24 %Pick .48 %FM 1.28 %

Moist _____ % Total Dock 2 _____ %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

80450 Vehicle & Grain..LBS
25270 Vehicle.....LBS
55180 Gross Grain.....LBS
1545 Dockage.....LBS
53635 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

J2672

DATE 9/14/13
Name BRAD NELSON
Name _____ DRIVER ON OFF
Address _____

Kind _____ Grade _____ Bin No. 3/4
Splits 6 % Pick 4 % FM 1.8 %
Moist _____ % Total Dock 2.8 %

Check Seed Coats _____ % Base Price Per CWT
This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

44670 Vehicle & Grain..LBS
27350 Vehicle.....LBS
17320 Gross Grain.....LBS
589 Dockage.....LBS
16731 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

U2673

DATE 9/14/13
Name BRAD NELSON
Name _____ DRIVER ON OFF
Address _____

Kind _____ Grade _____ Bin No. _____
Splits 6 % Pick 8 % FM 2 %
Moist _____ % Total Dock 3.4 %

Check Seed Coats _____ % Base Price Per CWT
This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

STATE OF NORTH DAKOTA
COUNTY OF GRAND FORKS

IN DISTRICT COURT
NORTHEAST CENTRAL JUDICIAL DISTRICT

Public Service Commission,
Plaintiff,

-vs-

Grand Forks Bean Company, Inc.,
Defendant.

Civil No. 18-2015-CV-00240

**CLAIM OF
BRENT BALDWIN**

PSC Case No. GE-15-36

[¶1] Brent Baldwin asserts a claim in the above-entitled proceeding, based upon his quantity of 2,220.36 hundred weight (cwt.) of beans, for the market price of said beans prevailing on the date of the insolvency of Defendant Grand Forks Bean Company, Inc., together with interest accruing at the weighted average prime rate charged by the Bank of North Dakota since the date of the insolvency of Defendant Grand Forks Bean Company, Inc. Pursuant to the Court's Amended Order Appointing Trustee (Court Doc. No. 26), Brent Baldwin asserts the date of insolvency of Defendant Grand Forks Bean Company, Inc. occurred on or before December 19, 2014.

[¶2] Brent Baldwin submits with this claim, copies of receipts and other evidence for said beans that were contained within his files, which are attached hereto as **Exhibit A**.

[¶3] Based upon information and belief, the PSC obtained copies of documents within the files and in the possession of Defendant Grand Forks Bean, Inc. relating to Brent Baldwin's 2,220.36 cwt. of beans. Brent Baldwin obtained copies of said documents from the PSC, and

accordingly submits with this claim, copies of said documents, which are attached hereto as **Exhibit B.**

[¶4] The Price Later Marketing Agreement document, attached as part of Exhibit B, filled out by Defendant Grand Forks Bean, Inc. purports to include an authorization for Mr. Baldwin's signature and initials. However, this Price Later Marketing Agreement, contained as part of Exhibit B, was not signed or initialed by Mr. Baldwin, was not authorized by Mr. Baldwin, and the inclusion of Mr. Baldwin's name on the contract was without his knowledge or authorization, and until he obtained it from the PSC, had not been seen by him.

[¶5] Attached as **Exhibit C** is a spreadsheet summarizing Brent Baldwin's claim.

Dated this 11th day of May, 2015.

PEARSON CHRISTENSEN, PLLP

Daniel L. Gaustad (ND ID #05282)

Joseph E. Quinn (ND ID #06538)

Attorneys at Law

24 North 4th Street

P. O. Box 5758

Grand Forks, ND 58206-5758

Phone: 701-775-0521

Facsimile: 701-775-0524

dan@grandforkslaw.com

jquinn@grandforkslaw.com

Attorneys for Brent Baldwin

[balance of page intentionally left blank]

STATE OF NORTH DAKOTA

)

COUNTY OF Pembina

)

ss. VERIFICATION

)

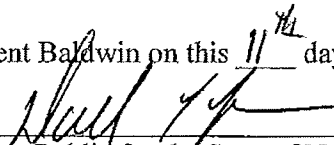
[¶6] Brent Baldwin, being duly sworn upon oath, deposes and states that I have read the above Claim and to the best of my knowledge, believe the contents to be true and correct.

DATED this 11th day of May, 2015.



BRENT BALDWIN

Subscribed and sworn to before me by Brent Baldwin on this 11th day of May, 2015.



Notary Public for the State of North Dakota

DANIEL L. JOHNSON
Notary Public
State of North Dakota
My Commission Expires Feb. 2, 2017

Grand Forks Bean Co., Inc.

Grand Forks, ND 58203

DRY BEAN CONTRACT

1001

Year 2013 CROP

Between **Grand Forks Bean Co., Inc.** of Grand Forks, North Dakota, hereinafter known as "Buyer"

and Brent Baldwin St. Thomas, ND, hereinafter known as "Seller".

Seller agrees to deliver #1 pink beans to the Buyer at the time of harvest, maximum N/A # per acre.

Acres N/A CWT 3,000

The undersigned Buyer agrees to pay to Seller for the above beans, the amounts as determined as follows:

\$ 45⁰⁰ per cwt., clean bean basis, #1's.

\$ 44⁰⁰ per cwt., clean bean basis, #2's.

\$ 43⁰⁰ per cwt., clean bean basis, #3's.

If Seller is unable to deliver commodity of the grade required by this Agreement, then Seller agrees to sell & Buyer agrees to purchase commodity of lower grades at the contract price less the applicable market discount at the time of sale. However, Buyer shall not be obligated hereunder to accept any sample grade commodity.

All beans delivered shall be below 16 % moisture or be subject to moisture discounts applicable at the time of sale.

All beans delivered hereunder shall be free and clear of all liens, security interests and other encumbrances, unless provided in writing herein by the Seller. It is further understood that the Seller has not contracted any other portion of the total acreage listed above. Title of the beans passes to the Buyer at the time and place of delivery.

In the event of breach, the Buyer shall be entitled to all costs taken in force of the same including reasonable attorneys fees.

This agreement may be assigned by either party only with the prior written consent of the other party. This Agreement shall be binding upon heirs, administrators, executors, personal representatives, successors and assigns of the parties hereto.

Performance of this agreement shall be excused to the extent the growing, harvesting, or delivery of the beans by Seller or their grading, receipt, or use by Buyer, is prevented by fire, explosion, war or acts of God.

Payment shall be made as follows; 100 % on 12/31/2013
(MONTH / DATE / YEAR)
_____ % on _____
(MONTH / DATE / YEAR)
_____ % on _____
(MONTH / DATE / YEAR)

Grand Forks Bean Co., Inc.

Seller

By: [Signature]

By: per phone w/ Brent

Date: 9/6/13

Date: 9/6/13

Grand Forks Bean Co, Inc.

Grand Forks, ND 58203

DRY BEAN CONTRACT

1002

Year 2013 CROP

Between Grand Forks Bean Co, Inc. of Grand Forks, North Dakota, hereinafter known as "Buyer"

and Brent Baldurcio St. Thomas, ND, hereinafter known as "Seller".

Seller agrees to deliver #1 Pinto beans to the Buyer at the time of harvest, maximum N/A # per acre.

Acres N/A CWT 3,000

The undersigned Buyer agrees to pay to Seller for the above beans, the amounts as determined as follows:

\$ 1.00 per cwt., clean bean basis, #1's.

\$ _____ per cwt., clean bean basis, #2's.

\$ _____ per cwt., clean bean basis, #3's.

If Seller is unable to deliver commodity of the grade required by this Agreement, then Seller agrees to sell & Buyer agrees to purchase commodity of lower grades at the contract price less the applicable market discount at the time of sale. However, Buyer shall not be obligated hereunder to accept any sample grade commodity.

All beans delivered shall be below 16 % moisture or be subject to moisture discounts applicable at the time of sale.

All beans delivered hereunder shall be free and clear of all liens, security interests and other encumbrances, unless provided in writing herein by the Seller. It is further understood that the Seller has not contracted any other portion of the total acreage listed above. Title of the beans passes to the Buyer at the time and place of delivery.

In the event of breach, the Buyer shall be entitled to all costs taken in force of the same including reasonable attorneys fees.

This agreement may be assigned by either party only with the prior written consent of the other party. This Agreement shall be binding upon heirs, administrators, executors, personal representatives, successors and assigns of the parties hereto.

Performance of this agreement shall be excused to the extent the growing, harvesting, or delivery of the beans by Seller or their grading, receipt, or use by Buyer, is prevented by fire, explosion, war or acts of God.

Payment shall be made as follows; 100 % on at time of sale
(MONTH / DATE / YEAR)

_____ % on _____
(MONTH / DATE / YEAR)

_____ % on _____
(MONTH / DATE / YEAR)

Grand Forks Bean Co, Inc.

By: [Signature]

Date: 9/6/13

Seller

By: per phone w/ Brent

Date: 9/6/13

Comments:

94580 Vehicle & Grain..LBS
35060 Vehicle.....LBS
59520 Gross Grain.....LBS
2428 Dockage.....LBS
57092 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02683

DATE 9/17/13

Name BRENT BALDWIN

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade _____ Bin No. 5
Splits 27 %Pick 1.28 %FM 4 %
Moist 13.4 % Total Dock 4.08 %

Check Seed Coats _____ %Base Price Per CWT

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

87010 Vehicle & Grain..LBS
34830 Vehicle.....LBS
52180 Gross Grain.....LBS
1899 Dockage.....LBS
50281 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02678

DATE 9/16/13

Name BRENT BALDWIN

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade _____ Bin No. 5
Splits 224 %Pick 6 %FM 8 %
Moist 14 % Total Dock 3.64 %

Check Seed Coats _____ %Base Price Per CWT

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

92150 Vehicle & Grain..LBS
35010 Vehicle.....LBS
57140 Gross Grain.....LBS
2491 Dockage.....LBS
54649 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02678

DATE 9/16/13

Name BRENT BALDWIN

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade _____ Bin No. 5
Splits 28 %Pick 2.16 %FM 9.29 %
Moist 14.1 % Total Dock 4.36 %

Check Seed Coats _____ %Base Price Per CWT

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Exhibit A

Comments:

97300 Vehicle & Grain..LBS
 35430 Vehicle.....LBS
 621870 Gross Grain.....LBS
 1856 Dockage.....LBS
 60014 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

02698

DATE 9/23/13

Name BRENT BALDWIN

Name FREIGHT TO BALDWIN FOSTER'S INC. ON DRIVER OFF

Address

Kind _____ Grade _____ Bin No. _____

Splits 1.6 % Pick 8 % FM 6 %

Moist 17.2 % Total Dock 3 %

Check Seed Coats _____ % Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

2,220.36 cwt

PRICE LATER MARKETING AGREEMENT 1108

COMPANY Grand Forks Bean Co., Inc.
GROWER BALDWIN FARMS INC / Brent Baldwin
ADDRESS ST. THOMAS

WHEREAS, pinto beans undergo a quality deterioration in this area and cannot be stored over crop year and

WHEREAS, the parties desire to provide a market beneficial to the grower and to the company which requires a constant supply of pinto beans available to the company throughout the winter months and so the company may conduct an orderly marketing operation and so that the grower may also have a chance in the time for marketing his pinto beans:

NOW THEREFORE, it is hereby agreed by and between the grower and the company as follows:

1. The company will accept, to the extent of its plant capacity to handle them, U.S. No. 1 and U.S. No. 2 Pinto Beans, with a moisture content not over 15%, grown and delivered to by grower. Upon deliver of the pinto beans to the company plant, a receiving ticket will be issued to the grower and the issuing of the ticket will thereupon transfer title of the pinto beans to the company.
2. The beans delivered will be priced before JAN 1, 2014. On those pintos on which to Grower Prices, the price will be the posted market price on the date of pricing.
3. The company reserves the right to withdraw from the market due to slow market conditions from time to time.
4. Checks for the pinto beans will be issued only on growers request.
5. Signing this agreement does not automatically put your beans under this Marketing agreement. It is necessary for you to notify the company at the time each truck is delivered.
6. Seller hereby warrants that he has good and merchantable title and the right to sell the beans hereinabove described and that said beans are free and clear of all liens, mortgages, and encumbrances of any kind of nature whatsoever.
7. This Contract shall be non-assignable by either Buyer or Seller.
8. Service fee of \$00493 per day per owt applies.

Dated this 12 day of SEPTEMBER, 2013.

6,226.07 cwt
43,000.00 > 12/27/13
3,226.07

Grand Forks Bean Co., Inc. TED O W
COMPANY BY
Brent Baldwin by [Signature]
GROWER

THIS CONTRACT IS NOT PROTECTED BY NORTH DAKOTA STATUTORY WAREHOUSEMAN'S BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.
S.A. Seller

Brent Baldwin

<u>Scale Ticket Number</u>	<u>Date</u>	<u>Net Grain in Pounds</u> <u>Brent Baldwin</u>
2678	9/16/2013	50,281.00
2680	9/16/2013	54,649.00
2683	9/17/2013	57,092.00
2698	9/23/2013	60,014.00
Subtotals		222,036.00
Less Sold		0.00
Totals in Pounds		<u>222,036.00</u>
Totals in CWT		<u>2,220.36</u>

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

NORTHEAST CENTRAL JUDICIAL DISTRICT

Public Service Commission,

Plaintiff,

-vs-

Grand Forks Bean Company, Inc.,

Defendant.

Civil No. 18-2015-CV-00240

**CLAIM OF
BALDWIN FARMS, INC.**

PSC Case No. GE-15-36

[¶1] Baldwin Farms, Inc., asserts a claim in the above-entitled proceeding, based upon its quantity of 1,005.71 hundred weight (cwt.) of beans, for the market price of said beans prevailing on the date of the insolvency of Defendant Grand Forks Bean Company, Inc., together with interest accruing at the weighted average prime rate charged by the Bank of North Dakota since the date of the insolvency of Defendant Grand Forks Bean Company, Inc. Pursuant to the Court's Amended Order Appointing Trustee (Court Doc. No. 26), Baldwin Farms, Inc. asserts the date of insolvency of Defendant Grand Forks Bean Company, Inc. occurred on or before December 19, 2014.

[¶2] Baldwin Farms, Inc. submits with this claim, copies of receipts and other evidence for said beans that were contained within its files, which are attached hereto as **Exhibit A**.

[¶3] Based upon information and belief, the PSC obtained copies of documents that were within the files and in the possession of Defendant Grand Forks Bean, Inc. relating to Baldwin Farms, Inc.'s 1,005.71 cwt. of beans. Baldwin Farms, Inc. obtained copies of said documents

from the PSC, and accordingly submits with this claim, copies of said documents, which are attached hereto as **Exhibit B**.

[¶4] The Price Later Marketing Agreement documents, attached as part of Exhibits A and B, filled out by Defendant Grand Forks Bean, Inc. purport to have been signed and initialed with the authorization of Mr. Brent Baldwin, but no such authorization was given.

[¶5] Attached as **Exhibit C** is a spreadsheet summarizing Baldwin Farm, Inc.'s claim.

Dated this 11th day of May, 2015.

PEARSON CHRISTENSEN, PLLP

Daniel L. Gaustad (ND ID #05282)

Joseph E. Quinn (ND ID #06538)

Attorneys at Law

24 North 4th Street

P. O. Box 5758

Grand Forks, ND 58206-5758

Phone: 701-775-0521

Facsimile: 701-775-0524

dan@grandforkslaw.com

jquinn@grandforkslaw.com

Attorneys for Baldwin Farms, Inc.

[balance of page intentionally left blank]

STATE OF NORTH DAKOTA

)

COUNTY OF Pembina

)

ss. VERIFICATION

)

[¶6] Buzz Baldwin, as the President of Baldwin Farms, Inc., being duly sworn upon oath, deposes and states that I have read the above Claim and to the best of my knowledge, believe the contents to be true and correct.

DATED this 11th day of May, 2015.

BALDWIN FARMS, INC.

Buzz Baldwin

BY: Buzz Baldwin

Its: President

Subscribed and sworn to before me by Buzz Baldwin, as President of Baldwin Farms, Inc. on this 11th day of May, 2015.

Daniel L. Johnson

Notary Public for the State of North Dakota

DANIEL L. JOHNSON
Notary Public
State of North Dakota
My Commission Expires Feb. 2, 2017

PRICE LATER MARKETING AGREEMENT

COMPANY Grand Forks Bean Co., Inc.

GROWER BALDWIN FARMS INC.

ADDRESS ST. THOMAS

WHEREAS, pinto beans undergo a quality deterioration in this area and cannot be stored over crop year and

WHEREAS, the parties desire to provide a market beneficial to the grower and to the company which requires a constant supply of pinto beans available to the company throughout the winter months and so the company may conduct an orderly marketing operation and so that the grower may also have choice in the time for marketing his pinto beans:

NOW THEREFORE, it is hereby agreed by and between the grower and the company as follows:

1. The company will accept, to the extent of its plant capacity to handle them, U.S. No. 1 and U.S. No. 2 Pinto Beans, with a moisture content not over 15%, grown and delivered to it by grower. Upon deliver of the pinto beans to the company plant, a receiving ticket will be issued to the grower and the issuing of the ticket will thereupon transfer title of th pinto beans to the company.
2. The beans delivered will be priced before July 1, 2014. On those pintos on which to Grower Prices, the price will be the posted market price on the date of pricing.
3. The company reserves the right to withdraw from the market due to slow market conditions from time to time.
4. Checks for the pinto beans will be issued only on growers request.
5. Signing this agreement does not automatically put your beans under this Marketing agreement. It is necessary for you to notify the company at the time each truck is delivered.
6. Seller hereby warrants that he has good and merchantable title and the right to sell the beans hereinabove described and that said beans are free and clear of all liens, mortgages, and encumbrances of any kind of nature whatsoever.
7. This Contract shall be non-assignable by either Buyer or Seller.
8. Service fee of ⁰⁰⁴⁹³ ~~\$0.0529~~ per day per cwt applies.

Dated this 12 day of SEPTEMBER, 20 13.

Grand Forks Bean Co., Inc. Ted Q

COMPANY

BY

Brent Baldwin by [Signature]
GROWER,

THIS CONTRACT IS NOT PROTECTED BY NORTH DAKOTA STATUTORY WAREHOUSEMAN'S BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.

S.H.

Seller

Exhibit A

Comments:

93290 Vehicle & Grain...LBS
 35450 Vehicle.....LBS
 57840 Gross Grain.....LBS
 2684 Dockage.....LBS
 55150 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

02685

DATE 9/17/13
 Name BALDWIN FARMS INC
 Name DRIVER ON OFF

Address
 Kind Grade Bin No. S
 Splits 3.04 %Pick 48 %FM 1.12 %
 Moist % Total Dock 4.64 %
 Check Seed Coats %Base Price Per CWT

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
 All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. Storage Tkt. No. Assembly Sheet No.

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

85070 Vehicle & Grain...LBS
 31440 Vehicle.....LBS
 53630 Gross Grain.....LBS
 1137 Dockage.....LBS
 52493 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

02659

DATE 9/13/13
 Name BALDWIN FARMS INC
 Name DRIVER ON OFF

Address
 Kind Grade Bin No. S
 Splits 1.6 %Pick 32 %FM 2 %
 Moist 13.8 % Total Dock 2.12 %
 Check Seed Coats %Base Price Per CWT

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
 All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. Storage Tkt. No. Assembly Sheet No.

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

91050 Vehicle & Grain...LBS
 34590 Vehicle.....LBS
 56460 Gross Grain.....LBS
 1028 Dockage.....LBS
 55432 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

DATE 13/13
 Name BALDWIN FARMS INC
 Name DRIVER ON OFF

Address
 Kind Grade Bin No. S
 Splits 2 %Pick 2 %FM 2 %
 Moist 4.6 % Total Dock 1.82 %
 Check Seed Coats %Base Price Per CWT

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
 All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Storage Tkt. No. Assembly Sheet No.

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

88100 Vehicle & Grain..LBS
27090 Vehicle.....LBS
61010 Gross Grain.....LBS
1440 Dockage.....LBS
59570 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02655

DATE 9/12/13

Name BALDWIN FARMS INC

Name _____ DRIVER ON OFF

Address _____

Kind Finto Grade _____ Bin No. ES

Splits .88 %Pick _____ %FM .48 %

Moist 14.6 % Total Dock 2.36 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

83940 Vehicle & Grain..LBS
32640 Vehicle.....LBS
49300 Gross Grain.....LBS
1045 Dockage.....LBS
48255 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02651

DATE 9/12/13

Name BALDWIN FARMS INC

Name _____ DRIVER ON OFF

Address _____

Kind Finto Grade _____ Bin No. _____

Splits .92 %Pick .4 %FM .8 %

Moist 14.8 % Total Dock 2.12 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

102260 Vehicle & Grain..LBS
34970 Vehicle.....LBS
61290 Gross Grain.....LBS
1588 Dockage.....LBS
65702 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02651

DATE 12/13

Name BALDWIN FARMS INC

Name _____ DRIVER ON OFF

Address _____

Kind Finto Grade _____ Bin No. ES

Splits .64 %Pick .64 %FM .32 %

Moist 14.6 % Total Dock 2.36 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

92930 Vehicle & Grain...LBS
27340 Vehicle.....LBS
65590 Gross Grain.....LBS
1627 Dockage.....LBS
63963 Net Grain.....LBS
Moist Dock.....%LBS
Net Grain.....LBS

02647

DATE 9/12/13
Name Baldwin Farms Inc
Name _____ DRIVER ON OFF

Address _____
Kind Pinto Grade _____ Bin No. ES
Splits 1.2 % Pick .8 % FM .48 %
Moist 15.3 % Total Dock 2.48 %

Check Seed Coats _____ % Base Price Per CWT _____
*This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.*

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

4005.71 cwt

3000 Sold

1005.71 cwt left

GRAND FORKS BEAN COMPANY, INC.

7056

Baldwin Farms Inc.

12/27/2013

3,000 cwt @ \$45.00

135,000.00
-300.00

1010 - BREMER CHE

134,700.00

PRICE LATER MARKETING AGREEMENT 1108

COMPANY Grand Forks Bean Co., Inc.
GROWER BALDWIN FARMS INC / Brent Baldwin
ADDRESS ST. THOMAS

WHEREAS, pinto beans undergo a quality deterioration in this area and cannot be stored over crop year and

WHEREAS, the parties desire to provide a market beneficial to the grower and to the company which requires a constant supply of pinto beans available to the company throughout the winter months and so the company may conduct an orderly marketing operation and so that the grower may also have cash in the time for marketing his pinto beans:

NOW THEREFORE, it is hereby agreed by and between the grower and the company as follows:

1. The company will accept, to the extent of its plant capacity to handle them, U.S. No. 1 and U.S. No. 2 Pinto Beans, with a moisture content not over 15%, grown and delivered to the grower. Upon deliver of the pinto beans to the company plant, a receiving ticket will be issued to the grower and the issuing of the ticket will thereupon transfer title of the pinto beans to the company.
2. The beans delivered will be priced before JAN 1, 2014. On those pintos on which to Grower Prices, the price will be the posted market price on the date of pricing.
3. The company reserves the right to withdraw from the market due to slow market conditions from time to time.
4. Checks for the pinto beans will be issued only on growers request.
5. Signing this agreement does not automatically put your beans under this Marketing agreement. It is necessary for you to notify the company at the time each truck is delivered.
6. Seller hereby warrants that he has good and merchantable title and the right to sell the beans hereinabove described and that said beans are free and clear of all liens, mortgages, and encumbrances of any kind of nature whatsoever.
7. This Contract shall be non-assignable by either Buyer or Seller.
8. Service fee of \$~~.0000~~^{.00493} per day per cwt applies.

Dated this 12 day of SEPTEMBER, 2013.

6,226.07 cwt
43,000.00 > 12/27/13
3,226.07

Grand Forks Bean Co., Inc. Ted O W
COMPANY BY
Brent Baldwin by the 10/13
GROWER

THIS CONTRACT IS NOT PROTECTED BY NORTH DAKOTA STATUTORY WAREHOUSEMAN'S BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.
S.H. Seller

Baldwin Farms, Inc.

<u>Scale Ticket Number</u>	<u>Date</u>	<u>Net Grain in Pounds</u> <u>Baldwin Farms, Inc.</u>
2646	9/12/2013	65,702.00
2647	9/12/2013	63,963.00
2651	9/12/2013	48,255.00
2655	9/12/2013	59,570.00
2659	9/13/2013	52,493.00
2660	9/13/2013	55,432.00
2685	9/17/2013	55,156.00
Subtotals		400,571.00
Less Sold (in pounds)	12/27/2013	(300,000.00)
Totals in Pounds		<u>100,571.00</u>
Totals in CWT		<u>1,005.71</u>

STATE OF NORTH DAKOTA
COUNTY OF GRAND FORKS

IN DISTRICT COURT
NORTHEAST CENTRAL JUDICIAL DISTRICT

Public Service Commission,
Plaintiff,

-vs-

Grand Forks Bean Company, Inc.,
Defendant.

Civil No. 18-2015-CV-00240

**CLAIM OF
DUANE ALTENDORF**

PSC Case No. GE-15-36

[¶1] Duane Altendorf asserts a claim in the above-entitled proceeding, based upon his quantity of 2,408.22 hundred weight (cwt.) of beans, for the market price of said beans prevailing on the date of the insolvency of Defendant Grand Forks Bean Company, Inc., together with interest accruing at the weighted average prime rate charged by the Bank of North Dakota since the date of the insolvency of Defendant Grand Forks Bean Company, Inc. Pursuant to the Court's Amended Order Appointing Trustee (Court Doc. No. 26), Duane Altendorf asserts the date of insolvency of Defendant Grand Forks Bean Company, Inc. occurred on or before December 19, 2014.

[¶2] Duane Altendorf submits with this claim, copies of receipts and other evidence for said beans that were contained within his files, which are attached hereto as **Exhibit A**.

[¶3] Based upon information and belief, the PSC obtained copies of documents within the files and in the possession of Defendant Grand Forks Bean, Inc. relating to Duane Altendorf's 2,408.22 cwt. of beans. Duane Altendorf obtained copies of said documents from the PSC, and

accordingly submits with this claim, copies of said documents, which are attached hereto as

Exhibit B.

[¶4] The Price Later Marketing Agreement document, attached as part of Exhibit B, filled out by Defendant Grand Forks Bean, Inc. purports to have been signed and initialed by Mr. Altendorf. However, this document was not signed or initialed by Mr. Altendorf, and until he obtained it from the PSC, had not been seen by him.

[¶5] Attached as **Exhibit C** is a spreadsheet summarizing Duane Altendorf's claim.

Dated this 11th day of May, 2015.

~~PEARSON CHRISTENSEN, PLLP~~

Daniel L. Gaustad (ND ID #05282)

Joseph E. Quinn (ND ID #06538)

Attorneys at Law

24 North 4th Street

P. O. Box 5758

Grand Forks, ND 58206-5758

Phone: 701-775-0521

Facsimile: 701-775-0524

dan@grandforkslaw.com

jquinn@grandforkslaw.com

Attorneys for Duane Altendorf

[balance of page intentionally left blank]

STATE OF NORTH DAKOTA

COUNTY OF Pembina

)

) ss. VERIFICATION

)

[¶6] Duane Altendorf, being duly sworn upon oath, deposes and states that I have read the above Claim and to the best of my knowledge, believe the contents to be true and correct.

DATED this 11th day of May, 2015.

Duane Altendorf
DUANE ALTENDORF

Subscribed and sworn to before me by Duane Altendorf on this 11 day of May, 2015.

Daniel L. Johnson
Notary Public for the State of North Dakota

DANIEL L. JOHNSON
Notary Public
State of North Dakota
My Commission Expires Feb. 2, 2017

Comments:

93700 Vehicle & Grain, LBS

35320 Vehicle.....LBS

58380 Gross Grain.....LBS

4414 Dockage.....LBS

53906 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02710

DATE 9/24/13

Name DUANE ALTENDORF

Name FREIGHT TO BALDWIN FARM INC. DRIVER ON OFF

Address

Kind _____ Grade 2 Bin No. MN

Splits 3.2 %Pick 4.12 %FM .24 %

Moist 15.7 % Total Dock 7.56 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery. All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

95180 Vehicle & Grain..LBS

35440 Vehicle.....LBS

59740 Gross Grain.....LBS

3298 Dockage.....LBS

56442 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02707

DATE 9/24/13

Name DUANE ALTENDORF

Name FREIGHT TO BALDWIN FARMS DRIVER ON OFF

Address

Kind _____ Grade 1 Bin No. MN

Splitts 3.2 %Pick 1 %FM 1.32 %

Moist 13.8 % Total Dock 5.52 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery. All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

816496 Vehicle & Grain..LBS

32230 Vehicle.....LBS

54260 Gross Grain.....LBS

4319 Dockage.....LBS

49941 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02709

DATE 9/24/13

Name DWANE ALTENDORF

Name FROUGHT TO BALDWIN FARMS INC DRIVER ON OFF

Address

Kind _____ Grade 1 Bin No. MN

Splits 4.4 %Pick 2.88 %FM .68 %

Moist 14.5 % Total Dock 7.96 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April, thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203**

Comments:

100260 Vehicle & Grain..LBS

28040 Vehicle.....LBS

72220 Gross Grain.....LBS

31629 Dockage.....LBS

108551 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02708

DATE 9/24/13

Name DUANE ALTENDORF

Name FREIGHT TO/BRETT B. DRIVER ON OFF

Address _____

Kind _____ Grade 1 Bin No. MN

Splits 3.6 %Pick .88 %FM .6 %

Moist 12.9 % Total Dock 5.08 %

Check Seed Coats _____ %Base Price Per CWT _____

*This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.*

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203**

Comments:

86160 Vehicle & Grain..LBS
 33140 Vehicle.....LBS
 53020 Gross Grain.....LBS
 2672 Dockage.....LBS
 50348 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

02706

DATE 9/24/13
 Name ~~BRAND~~
 Name Orane Altemark DRIVER ON OFF
 Address FREIGHT TO BRAND B.
 Kind _____ Grade 1 Bin No. MN
 Splits 2.92 %Pick 1.48 %FM .64 %
 Moist 13.5 % Total Dock 5.04 %
 Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.
 All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check _____ Storage _____ Assembly _____
 No. _____ Tkt. No. _____ Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
 OF GRAIN WEIGHED OVER THE SCALES OF
 GRAND FORKS BEAN CO, INC.
 GRAND FORKS, NORTH DAKOTA 58203**

Comments:

916340 Vehicle & Grain..LBS

349000 Vehicle.....LBS

61440 Gross Grain.....LBS

1966 Dockage.....LBS

59474 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02702

DATE 9/22/13

Name DUANE ALTENDORF

Name BRENT BRENT B. DRIVER ON OFF

Address

Kind _____ Grade 1 Bin No. MN

Splits 1.4 %Pick 1.32 %FM 48 %

Moist 14.1 % Total Dock 3.2 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203**

Comments:

87800 Vehicle & Grain..LBS

31740 Vehicle.....LBS

56060 Gross Grain.....LBS

2018 Dockage.....LBS

54042 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02704

DATE 9/23/13

Name DWAVE ALTEUDORF

Name FREIGHT TO BALDWIN FARMS DRIVER ON OFF

Address

Kind _____ Grade 1 Bin No. MW

Splits 2 %Pick 1.2 %FM 4 %

Moist _____ % Total Dock 3.6 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

81520 Vehicle & Grain..LBS

31770 Vehicle.....LBS

49750 Gross Grain.....LBS

182 Dockage.....LBS

48058 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02701

DATE 9/23/13

Name DUANE ALTENDORF

Name FREIGHT TO BARDWIN FARMS INC. DRIVER OFF

Address

Kind _____ Grade 1 Bin No. _____

Splits 1.4 %Pick 1.6 %FM 2.4 %

Moist 14.5 % Total Dock 3.4 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203**

PRICE LATER MARKETING AGREEMENT 1111

COMPANY Grand Forks Bean Co., Inc.
GROWER Duane Albertson
ADDRESS St Thomas, ND

WHEREAS, pinto beans undergo a quality deterioration in this area and cannot be stored over crop year and

WHEREAS, the parties desire to provide a market beneficial to the grower and to the company which requires a constant supply of pinto beans available to the company throughout the winter months and so the company may conduct an orderly marketing operation and so that the grower may also have choice in the time for marketing his pinto beans:

NOW THEREFORE, it is hereby agreed by and between the grower and the company as follows:

1. The company will accept, to the extent of its plant capacity to handle them, U.S. No. 1 and U.S. No. 2 Pinto Beans, with a moisture content not over 15%, grown and delivered to it by grower. Upon deliver of the pinto beans to the company plant, a receiving ticket will be issued to the grower and the issuing of the ticket will thereupon transfer title of th pinto beans to the company.
2. The beans delivered will be priced before July 1, 2014 On those pintos on which to Grower Prices, the price will be the posted market price on the date of pricing.
3. The company reserves the right to withdraw from the market due to slow market conditions from time to time.
4. Checks for the pinto beans will be issued only on growers request.
5. Signing this agreement does not automatically put your beans under this Marketing agreement. It is necessary for you to notify the company at the time each truck is delivered.
6. Seller hereby warrants that he has good and merchantable title and the right to sell the beans hereinabove described and that said beans are free and clear of all liens, mortgages, and encumbrances of any kind of nature whatsoever.
7. This Contract shall be non-assignable by either Buyer or Seller.
8. Service fee of \$.00329 per day per cwt applica.

Dated this 23 day of Sept, 2013.

4,408.22 cwt
< 2,000.00 > 12/31/13
2408.22

Grand Forks Bean Co., Inc. tab j m
COMPANY BY
Duane Albertson
GROWER

THIS CONTRACT IS NOT PROTECTED BY NORTH DAKOTA STATUTORY WAREHOUSEMAN'S BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.
DA Seller

