

Glacial Lakes Energy, LLC—Mina, SD
Corn Procurement Policy
September 1, 2008 to August 31, 2009

- Price:** Chicago Board of Trade (CBOT) Corn Futures minus local basis for a specified time frame.
- Delivery:** It is the shareholder's responsibility to market his/her share bushels to Glacial Lakes Energy, LLC—Mina, SD in each fiscal year which is September 1, 2008 to August 31, 2009. All contracts will be on a first come first serve basis. GLE Mina, SD offers a variety of contracts. Each contract will have a specified time of delivery: commonly a two week window. Please contact our office for more information. Failure to deliver specified bushels in a stated timeframe will be considered a breach of contract, and penalties or cancellation will apply.
- Payment:** Within 10 days after contract is fulfilled.
- Pool Fee:** Any committed bushels that were not delivered at the end of each fiscal year will be charged a \$0.03 per bushel pool fee.
- Freight:** Only delivered committed bushels will be paid the freight allowance. GLE Mina will not pay the freight allowance on pool bushels or bushels delivered above and beyond the share holder's committed bushels.
- Discounts:** All corn bought by GLE Mina will be based on a Number 2 Grade Yellow Corn. Grading will take place at the Glacial Lakes Energy, LLC—Mina, SD unloading site and all grades at the load station are final. Each load will be probe sampled with random hand sampling at the pit.

- Moisture Discount:**
- \$0.01 each - 1/5% from 15.0% to 17%
 - RE is not a drying facility; quantities over 16.5% moisture will be accepted or rejected at buyer's sole discretion subject to above discounts.

- Broken Kernel and/or Foreign Material:**
- \$0.02 each 1% From 3.1% to 5.0%
 - \$0.03 each 1% from 5.1% to 7.0%
 - Over 7.0% May Be Subject to Rejection

- Damage:**
- \$0.01 each 1% over 5% to 7%
 - \$0.02 each 1% over 7.1-10% - \$0.02 each %
 - Over 10% - \$0.05 ea. 1% over – still subject to rejection

- Heat Damage:**
- \$0.01 each 1/10 of 1% from 2/10 of 1%
 - Over 3% subject to rejection

- Test Weight:**
- \$0.01 each 1/2 lb under 54# to 50#
 - \$0.02 each 1/2 lb under 50 #
 - Less than 45 lbs subject to rejection

- Musty:** • \$0.05 per bushel

- Moldy:** • \$0.05 per bushel

- Sour:** • \$0.10 per bushel

Corn that is found to be musty, heating, sour or possessing a commercially objectionable foreign odor is subject to discount and may be rejected. Corn must meet all FDA and or USDA fumigation requirements.

Corn containing 2 or more live weevils or 10 or more live grain insects per sample will be discounted \$.05 per bushel. Corn containing rodent or bird contamination, stones, glass or other commercially undesirable foreign material will be rejected.

Official grades can be requested at the time of unload at the producer's expense.

****SUBJECT TO CHANGE WITHOUT NOTICE****

5/13/08