

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made this 27<sup>th</sup> day of AUGUST 2006, by and between the Town of Courtland (the "Town"), a Wisconsin body corporate and politic, and Didion Milling, Inc., a Wisconsin corporation (the "Developer").

WHEREAS, Developer has sought the approval for a conditional use permit which would permit the Developer to construct an ethanol production facility (the "Ethanol Plant") on the parcel of land described on Appendix A attached hereto, which is located within the Town of Courtland (the "Ethanol Plant Site"); and

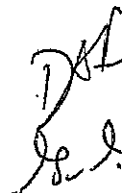
WHEREAS, the Town and Developer enter into this Agreement to formally establish certain responsibilities of the parties relating to the proposed development of the Ethanol Plant Site and also to provide certain binding assurances to the Town relating to this Ethanol Plant project.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the Town and Developer agree that the following provisions shall apply if Developer receives the necessary governmental approvals to construct the Ethanol Plant and proceeds with constructing such plant on the Ethanol Plant Site:

1) Developer's Cabbage Road Obligation. The only public improvement contemplated in regard to the Ethanol Plant project is the possible relocation of a portion of Cabbage Road that would move a portion of Cabbage Road from the Village of Cambria into the Town of Courtland. If such road relocation is to occur, then Developer shall pay the full cost to construct that relocated portion of Cabbage Road to Town Road standards and upon acceptance by the Town, will duly dedicate that relocated portion of Cabbage Road to the Town. Upon acceptance of that road dedication, the Town shall be responsible for the maintenance and repair of that relocated portion of Cabbage Road located within the Town. If any grants are available to cover any portion of the costs of relocating Cabbage Road, the parties agree to cooperate in seeking such grant funding.

2) Developer's Landscaping Obligation. It is in the public interest to have appropriate landscaping installed above the easterly and southerly boundaries of the proposed site for the Ethanol Plant. Developer shall submit a proposed landscape plan to the Town Board for its review and approval and Developer shall be responsible for paying the cost of such landscaping.

3) Developer's Well Water Obligation. Developer, as part of this Ethanol Plant project, will be installing a deep well system to use in its operations. If pumping from Developer's deep well system adversely impacts any existing residential private well system in the Town located within one half mile of this Ethanol Plant Site, then under this Agreement it shall be the Developer's responsibility, at its cost, to take such actions as shall be reasonably necessary to remedy that adverse impact by replacing the private system that has been impacted or taking such other remedial action as may be necessary to remedy such adverse impact.



4) **Developer's Noise Level Obligation.** Developer, as part of its Ethanol Plant project, has agreed to design this Ethanol Plant and institute operating procedures so that Developer, in its operations at this site, can maintain a sound level of 65 decibels or less at its property line. By this Agreement Developer agrees that it shall be its responsibility in its operations at this Ethanol Plant Site, at its cost, to take such measures as shall be reasonably necessary in order to maintain a sound level of 65 decibels or less at the property lines of the Ethanol Plant Site.

5) **Railroad Extension.** It is anticipated that railroad tracks may be extended into the Ethanol Plant Site to serve as one of the means to transport supplies and products relating to this site. The Town concurs that it is in the public interest to extend the railroad tracks into the Ethanol Plant Site for this purpose and agrees to cooperate with Developer in regard to Developer's efforts to extend railroad tracks into this Ethanol Plant Site. However, the Town shall have no obligation to pay for any of the costs associated with extension of the railroad tracks to serve this site.

6) **Grant Applications.** The parties agree that this Ethanol Plant is a project that involves a major investment in the Town by Developer. For this project, various grants may be available. The parties agree to cooperate in seeking potential local, state and/or federal grants that may be available in regard to the proposed development of this site, for extending utilities and railroad services to this site, for road relocation and improvements and for various other facility improvements.

7) **Review and Grant Application Costs.** It is agreed that to the extent that the Town incurs any review costs relating to this Ethanol Plant project and to the extent it incurs any costs in applying, at request of Developer, for any grants relating to this project, the Developer shall reimburse Town for all such costs that it incurs.

8) **Annexation.** The Developer has assured Town that it has no plans to seek annexation of the Ethanol Plant Site into the Village of Cambria. The Town, for its planning purposes, is relying on that representation. Accordingly, the Developer agrees to make the following commitment as to real estate tax revenues to the Town for a period of twenty (20) years, namely from 1/1/2007 through 12/31/2026 (hereinafter "Tax Commitment Period"). If this Ethanol Plant Site is annexed into the Village of Cambria during the Tax Commitment Period through a voluntary annexation, then for each calendar year during the remaining balance of such Tax Commitment Period for which the Town would receive no real estate tax revenues covering the Ethanol Plant Site, the Developer or its successor in title (whoever shall be the owner of that site) shall pay to the Town, within fifteen (15) days after the end of the tax year involved, a sum equal to what the Town received as its share of the real estate taxes on this Ethanol Plant Site during the last tax year that such site was treated as a tax parcel located within the Town. It is agreed that if the Town receives any payment, by statute, for real estate taxes it is losing as a result of the annexation of this site, then those payments shall be applied as a credit toward Developer's obligation provided for under this section of the Development Agreement.

A handwritten signature in black ink, appearing to be 'D. J. S.', is located in the bottom right corner of the page.

For the purposes of this Agreement, voluntary annexation means an annexation initiated or joined in by the owner of the Ethanol Plant Site or an annexation initiated by others which is not opposed by the owner of the Ethanol Plant Site. Other annexations shall be considered forced annexations and accordingly shall not be subject to the payment provisions set forth in the preceding paragraph of this Agreement.

9) **Other Laws Apply.** All applicable laws and regulations shall be adhered to with respect to the development of the Ethanol Plant Site.

10) **Severability.** If any part, term, or condition of this Agreement is held by the courts to be illegal or otherwise enforceable, such illegibility or unenforceability shall not affect the validity of any other part, term, or provision, and rights of the parties will be construed as if the illegal and/or unenforceable part, term, or provision was never part of this Agreement.

11) **Enforceability.** The Town Board of the Town of Courtland shall have the right to enforce performance of Developer's obligations under this Agreement in any proceedings at law or in equity.

12) **Attorney Fees.** If either party is required to resort to litigation, arbitration, or mediation to enforce the terms of this Agreement, and prevails therein, then the nonprevailing party shall pay the prevailing party's costs, including reasonable attorney fees and expert witness fees. If both parties prevail in part, then each party shall pay its own costs and fees.

13) **Sovereign Immunity.** The provisions of this Agreement are not meant to, and do not imply or create, any waiver of the Town's sovereign immunity.

14) **Successors Bound.** This Agreement shall be binding upon the Developer and its grantees, successors and assigns.

15) **Amendment/Modification.** This Agreement may be amended or modified only by a written amendment approved and executed by the Town and the Developer.

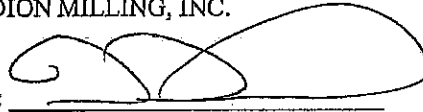
16) **Effective Date.** This Agreement shall be effective as of the date and year first written above.

TOWN OF COURTLAND

DIDION MILLING, INC.

BY: Glenn Smith Chairman

BY:

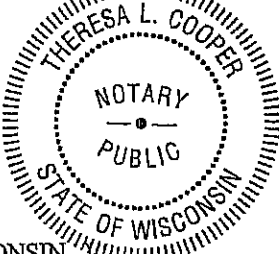


JoAnn Wingers, Supervisor

Chad [Signature], Supervisor

STATE OF WISCONSIN )  
 ) ss.  
COUNTY OF COLUMBIA)

Personally came before me, this 27TH day of AUG, 2006,  
CYREN SMITH and JORNA LUND of the above-named Town of Courtland, to  
me known to be the persons who executed the foregoing instrument, and to me known to be such  
CHAIRMAN and SUPERVISOR of said Town of Courtland, and acknowledged  
that they executed the foregoing instrument as such officers as the deed of said Town, by its  
authority.

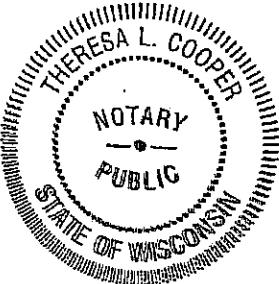


Theresa L. Cooper

Notary Public, Columbia County, WI  
My Commission Expires: MARCH 7, 2008

STATE OF WISCONSIN )  
 ) ss.  
COUNTY OF COLUMBIA)

Personally came before me, this 27TH day of AUG, 2006,  
DANA DIDION and JORNA LUND of the above-named corporation, to me  
known to be the persons who executed the foregoing instrument, and to me known to be such  
PRESIDENT and CEO of said corporation, and acknowledged that they  
executed the foregoing instrument as such officers as the deed of said corporation, by its authority.



Theresa L. Cooper

Notary Public, Columbia County, WI  
My Commission Expires: MARCH 7, 2008