



WEALTH MANAGEMENT

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Doc # 56906

COPY
221 West College Avenue
PO Box 1056
Appleton, WI 54912-1056
800 236-0162 Toll Free
920 738-3826 Fax
mibank.com

FA 6/10

March 17, 2010

Direct Dial: (920) 738-3827
Toll Free: (800) 236-0162
FAX: (920) 738-3826
E-mail: robert.ellis@micorp.com

Trega Foods, Ltd.
Attn: Doug Simon
P.O. Box 223
Appleton, WI 54913

71-SDP-01-09

RE: Trega Foods Ltd – Iowa Dept. of Natural Resources Trust, Account #41-L293-01-0

Dear Doug:

Thank you for choosing M&I to serve as trustee of the Land Application of Wastes Trust Agreement, dated March 11, 2010, between Trega Foods, Ltd., as Grantor, and Marshall & Ilsley Trust Company, N.A., as Trustee. We look forward to continuing to work with you.

Enclosed please find a copy of the fully-executed trust agreement. The original agreement will be retained as part of the trust file. This will also acknowledge receipt of \$33,000.00 from Trega Foods, Ltd. for deposit to the trust account. We will send quarterly trust accounting statements to Michael Simoneau's attention at Trega. We will also provide an annual accounting statement to the Iowa Department of Natural Resources.

Thank you again for choosing M&I. If you should have any questions, or if we might otherwise be of service, please do not hesitate to contact me.

Sincerely,
MARSHALL & ILSLEY TRUST COMPANY, N.A.

J. Robert Ellis
Vice President

Enclosure

Cc : Matt McDonald, Iowa Department of Natural Resources

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M&I Wealth Management offers products and services through various affiliates of Marshall & Ilsley Corporation, including Marshall & Ilsley Trust Company N.A., M&I Investment Management Corp., M&I Financial Advisors, Inc. (member FINRA/SIPC, maintaining its principal offices at 111 E. Kilbourn Ave., Milwaukee, WI 53202), North Star Trust Company and North Star Deferred Exchange. Insurance coverage is underwritten by a number of insurers. Insurance products are the obligation of the insurance company.

Investment products are: ☐ Not FDIC Insured ☐ No Bank Guarantee ☐ May Lose Value

Banking services are provided by M&I Marshall & Ilsley Bank or M&I Bank FSB, Members FDIC.



LAND APPLICATION OF WASTES TRUST AGREEMENT

COPY

Trust Agreement, the "Agreement," entered into as of March 11, 2010 by and between TREGA FOODS, LTD., a generator of waste that is land applied in Iowa located at 332 Division Street, Hull, IA 51239, herein referred to as "Grantor," and MARSHALL & ILSLEY TRUST COMPANY, N.A., a national bank, hereby referred to as "Trustee."

WHEREAS, the Iowa Department of Natural Resources, herein referred to as "IDNR", has established certain regulations applicable to the Grantor, requiring that the generator of waste land applied at a disposal site(s) shall provide assurance that funds will be available when needed for closure care of the site(s);

WHEREAS, the Grantor has elected to establish a trust to provide all or part of such financial assurance for the site(s) identified herein;

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee;

WHEREAS, the Trustee is an entity which has authority to act as a trustee, and whose trust operations are regulated and examined by a Federal or State Agency;

Now, therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As use in this Agreement:

- a) The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.
- b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Sites and Cost Estimates. This Agreement pertains to the sites and cost estimates identified on attached Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund," for the benefit of the State of Iowa in accordance with the provisions of IAC 567 Chapter 121.8(4)"a". The Grantor and the Trustee intend that no third party have access to the Fund, except as herein provided. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor.

Section 4. Payment for Closure Care. The Trustee shall make payments from the Fund as IDNR shall direct, in writing, to provide for the payment of the costs of closure care of the site(s) covered by this Agreement. The Trustee shall reimburse the Grantor or other persons from the Fund for closure care expenditures in such amounts as IDNR shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as IDNR specifies in writing, as exceeding the current cost estimate for closure care. Upon reimbursement or refund, such funds shall no longer constitute part of the Fund as defined herein. Furthermore, the Fund shall not be assigned for the benefit of creditors with the exception of the State of Iowa, and shall not be used to pay any final judgment against the Grantor arising out of the ownership or operation of the site during the active life or after closure.

Section 5. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. The successor trustee shall specify the date on which it assumes administration of the trust in writing sent to the Grantor, IDNR, and the present Trustee by certified mail 30 days before such change becomes effective.

Section 6. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other persons as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the IDNR to the Trustee shall be in writing, signed by the Director, or his designee, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or IDNR hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or IDNR except as provided for herein.

Section 7. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and IDNR or by the Trustee and IDNR if the Grantor ceases to exist.

Section 8. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 7, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and IDNR, or by the Trustee and IDNR, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Pursuant to IAC 567 Chapter 121.8(5), said Agreement may be terminated by the Trustee, by giving written notice of intent to terminate Agreement, at least 90 days prior to the date said Agreement is to be terminated. When such notice is provided, the Grantor shall, within 60 days, provide IDNR proof of alternate financial assurance. If a means of alternate financial assurance is not provided within the 60 days, IDNR shall suspend the permit and the Grantor shall be required to perform proper closure within 30 days of the permit suspension. If the Grantor does not properly close the site within the 30 days, this shall constitute a failure to perform and IDNR shall file a claim with the Trustee to collect the amount of funds necessary to properly close the site(s) covered by this Agreement.

Section 9. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or IDNR issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 10. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Iowa.

IN WITNESS THEREOF, the Grantor and Trustee have executed this Agreement under their respective hands and seals, this 11th day of March, 2009/0.

The persons whose signatures appear below hereby certify that they are authorized to execute this Agreement on behalf of the Grantor and Trustee.

TREGA FOODS, LTD.

Grantor

Signature: Douglas D. Simon

Name: Douglas D. Simon

Title: President

Signature: [Signature]

Name: Michael Simoneau

Title: VP - Finance

MARSHALL & ILSLEY TRUST COMPANY, N.A.

Trustee

[Corporate Seal]

Signature: J. Robert Ellis

Name: J. Robert Ellis

Title: Vice President

Signature: Suzanne M. Breyer

Name: Suzanne M. Breyer

Title: Vice President

Schedule A

Trega Foods, Ltd. has entered into a Sludge Agreement with Meadowvale Dairy, LLC as of December 1st, 2009 as part of the Asset Purchase Agreement. Meadowvale agrees to accept 100% of the Sludge generated by Trega's Hull Iowa plant with no specified termination date; this agreement is signed by Sjerp Ysselstein (owner of Meadowvale).

Site is owned by Meadowvale Dairy LLC and located at 1760 300th Street, Rock Valley, Iowa, 51247.

Attached document has been issued by EXTended Ag Services, Inc. as of March 5th, 2009 detailing the calculation of the 33,000\$ trust amount. This being 2.2 million gallons of storage capacity @ 0.015 \$/gallon of effluent. The 0.015 \$/gallon is an estimate cost per gallon for land application and is based upon current cost for custom application of wastewater and manure products.

Closure Cost Estimate is signed by Nic Rowe, Professional Engineer.

TREGA FOODS, LTD.

Grantor

Signature: Douglas D Simon

Name: Douglas D. Simon

Title: President

Signature: Michael Simoneau

Name: Michael Simoneau

Title: VP - Finance



Andrew Nesseth
507 Milwaukee St.
Lakefield, MN 56150
(507) 662-5005
FAX (507) 662-5105
extag@frontiernet.net

March 5th, 2009

Nic Rowe, P.E.
Jacobsen and Westergaard
and Associates, Inc.
105 S. 6th Street
Estherville, IA 51334-0387

RE: Green Meadows Foods Closure Cost Estimate

Dear Nic,

This letter is in regards to the Green Meadows Foods, LLC solid waste storage basin being proposed at the existing Ysselstein Dairy. Following our conversations on the estimated cost of emptying the basin of sludge, I have determined that the cost of emptying and land applying the basin of all effluent generated by Green Meadows Foods, LLC stored at the Ysselstein Dairy basin will be \$33,000. This was determined by taking the maximum storage of the basin (2.2 million gallons with 2 feet of freeboard) and multiplying it by \$0.015 per gallon of effluent. This estimated cost per gallon for land application is based on current costs for custom application of wastewater and manure products. The rates are subject to change depending on market conditions. Updated Closure Cost estimates may be necessary to reflect changing custom application rates.

Please provide your signature as a certification that these estimates are reasonable based on your best professional judgment.

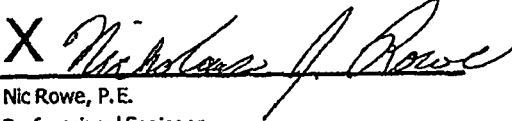
Sincerely,

Andrew Nesseth
EXTENDED Ag Services, Inc.

AN/an

Green Meadows Foods, LLC – Closure Cost Estimate

The expected cost of removing Solid Waste generated by the Green Meadows Foods, LLC from the Ysselstein Dairy earthen basin is \$33,000. This estimate is based on the current standard rates for custom application of manure and/or liquid waste. An estimated 2.2 million gallons would potentially have to be removed by the Ysselstein Dairy in the event of a default by Green Meadows Foods, LLC. I hereby certify that the estimates provided by Green Meadows Foods, LLC for the closure of the Ysselstein Dairy earthen basin are reasonable and accurate.

X 

Nic Rowe, P.E.
Professional Engineer