UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended
November 30, 2005

Commission file number
333-121321

GREEN PLAINS RENEWABLE ENERGY, INC.
(Exact name of registrant as specified in its charter)

Iowa	84-1652107
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)
9635 Irvine Bay Court, Las Vegas, Nevada 89147	(702) 524-8928
(Address of principal executive offices)	(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.001 par value	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [X] No [ ]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes [ ][No [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates (i.e., does not include directors, executive officers or ten percent stockholders identified in Item 12 hereof) of the issuer as of February 15, 2006 was: There is no trading market for the issuer's securities.

As of January 31, 2006, the registrant had 4,220,990 shares of common stock outstanding.

GREEN PLAINS RENEWABLE ENERGY, INC.

TABLE OF CONTENTS TO ANNUAL REPORT
ON FORM 10-K
YEAR ENDED NOVEMBER 30, 2005

PART I

PART II

PART III

PART IV

Forward-Looking Statements

Throughout this report, we make "forward-looking statements." Forward-looking statements include the words "may," "will," "estimate," "continue," "believe," "expect" or "anticipate" and other similar words. These forward-looking statements generally relate to our plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. Although we believe that our plans and objectives reflected in or suggested by such forward-looking statements are reasonable, we may not achieve such plans or objectives. Actual results may differ from projected results due, but not limited, to unforeseen developments, including developments relating to the following:

- The availability and adequacy of our cash flow to meet its requirements, including payment of loans;
- Economic, competitive, demographic, business and other conditions in our local and regional markets;
- Changes or developments in laws, regulations or taxes in the ethanol, agricultural or energy industries;
- Actions taken or omitted to be taken by third parties including our Design Builder, our suppliers and competitors, as well as legislative, regulatory, judicial and other governmental authorities;
- Competition in the ethanol industry;
- The loss of any license or permit;
- The loss of our plant due to casualty, weather, mechanical failure or any extended or extraordinary maintenance or inspection that may be required;
- Changes in our business strategy, capital improvements or development plans;
- The availability of additional capital to support capital improvements and development; and
- Other factors discussed under "Risk Factors" in this report.

You should read this report completely and with the understanding that actual future results may be materially different from what we expect. The forward looking statements specified in this report have been compiled as of the date of this report and should be evaluated with consideration of any changes occurring after the date of this report. We will not update forward-looking statements even though our situation may change in the future.

PART I

Item 1. Business

In November 2005, we raised gross proceeds of $34,459,900 to develop, construct, own, and operate a 50 million gallon dry mill ethanol plant in Shenandoah, Iowa (the "Plant"). We plan to build the Plant such that it will, according to representatives of our design-builder, Fagen, Inc. ("Fagen"), have an annual capacity to process approximately 18 million bushels of corn into approximately 50 million gallons of ethanol and will produce approximately 160,000 tons annually of animal feed known as Distillers Dried Grains with

Solubles ("DDGS") on a dry matter basis. These are the principal by-products of the ethanol production process. Fagen, Inc. representatives have indicated to us that the Plant will also produce approximately 148 thousand tons of raw carbon dioxide annually as another by-product of the ethanol production process. We are still exploring the options available to us to recover and market the raw carbon dioxide. However, because there is significant ethanol production in the areas where we intend to locate the Plant, we might not be able to find a market for our CO(2) and may end up venting it off as many other producers do.

The following diagram describes the plant we intend to build.

[DIAGRAM OMITTED]

1. Ethanol storage tanks: Two ethanol storage tanks. Three tanks used for 190 proof ethanol and 200 proof undenatured ethanol and denaturant. All of the described tanks will be within a retention berm.

2. Administration Building: This building will have brick and/or siding on the exterior and will be approximately 2,700 square feet.

3. DDGS Building: This will be a steel sided building and will be 21,875 square feet. All dry distillers grain will be stored in this building.

4. Grain Receiving Building: The building will be a steel sided building 165 feet long by 65 feet wide and approximately 40 feet tall. There will be two truck bays and one rail bay.

5. Cement Corn Silos: Two 200,000 bushel silos and two 15,000 bushel per hour legs.

6. Fermentation Tanks: Three fermentation tanks and one beer well.

7. Main Process Building: Structural steel frame building housing tanks, pumps and heat exchangers as well as a control room and laboratory. Total square footage is approximately 25,000 feet.

8. Two Methanator Tanks.

9. Thermal Oxidizer Stack: Approximately 125 feet tall. The exact height will depend on air modeling and input from the IDNR.

10. Distillation and Evaporation Center.

11. Stillage and Syrup Tanks.

12. Energy Center: Structural steel building totaling approximately 13,750 square feet housing both of the DDGS dryers and the Thermal Oxidizer.

13. Cooling Tower: Four cell induced draft cooling tower.

Primary Product--Ethanol

Ethanol is a chemical produced by the fermentation of sugars found in grains and other biomass. Ethanol can be produced from a number of different types of grains, such as wheat and sorghum, as well as from agricultural waste products such as sugar, rice hulls, cheese whey, potato waste, brewery and beverage wastes and forestry and paper wastes. However, according to publicly available information from the Renewable Fuels Association, approximately 90% of ethanol in the United States today is produced from corn, because corn contains large quantities of carbohydrates that convert into glucose more easily than most other kinds of biomass.

Description of Dry Mill Process

Our Plant will produce ethanol by processing corn. The corn will be received by rail and by truck, then weighed and unloaded in a receiving building. It will then be transported to a scalper to remove rocks and debris before it is conveyed to storage bins. Thereafter, the corn will be transported to a hammer mill or grinder where it is ground into a mash and conveyed into a slurry tank for enzymatic processing. We will add water, heat and enzymes to break the ground grain into a fine slurry. The slurry will be heated for sterilization and pumped to a liquefaction tank where additional enzymes are added. Next, the grain slurry is pumped into fermenters, where yeast is added, to begin a batch fermentation process. A vacuum distillation system will divide the alcohol from the grain mash. Alcohol is then transported through a rectifier column, a side stripper and a molecular sieve system where it is dehydrated. The 200 proof alcohol is then pumped to farm shift tanks and blended with five percent denaturant (usually gasoline) as it is pumped into storage tanks.

Corn mash from the distillation stripper is pumped into one of several decanter type centrifuges for dewatering. The water ("thin stillage") is then pumped from the centrifuges and then to an evaporator where it is dried into a thick syrup. The solids that exit the centrifuge or evaporators ("the wet cake") are conveyed to the DDGS dryer system. Syrup is added to the "the wet cake" as it enters the dryer, where moisture is removed. The process will produce distillers grains, which are processed corn mash that can be used as animal feed.

Construction is anticipated to begin in April of 2006. The Company anticipates that the plant will begin producing ethanol and by-products in May of 2007.

The following flow chart illustrates the dry mill process:

[FLOW CHART OMITTED]

Thermal Oxidizer

Ethanol plants such as ours may produce odors in the production of ethanol and its primary by-product, DDGS that some people find to be unpleasant. We intend to employ a thermal oxidizer emissions system to help reduce the risk of this problem.

We expect a thermal oxidizer emissions system to reduce any unpleasant odors caused by the ethanol and distillers grains manufacturing process. We expect this addition to the Plant to reduce the risk of possible nuisance claims and any related negative public reaction against us.

By-Products

The principal by-product of the ethanol production process is distillers grains, a high protein, high-energy animal feed supplement primarily marketed to the dairy and beef industry. Distillers grains contain by-pass protein that is superior to other protein supplements such as cottonseed meal and soybean meal. By-pass proteins are more digestible to the animal, thus generating greater lactation in milk cows and greater weight gain in beef cattle. Dry mill ethanol processing creates three forms of distillers grains: Distillers Wet Grains with Solubles ("DWGS"), Distillers Modified Wet Grains with Solubles ("DMWG") and Distillers Dried Grains with Solubles ("DDGS"). DWGS is processed corn mash that contains approximately 70% moisture. DWGS has a shelf life of approximately three days and can be sold only to farms within the immediate vicinity of an ethanol plant. DMWG is DWGS that has been dried to approximately 50% moisture. DMWG have a slightly longer shelf life of approximately three weeks and are often sold to nearby markets. DDGS is DWGS that has been dried to 10% moisture. DDGS has an almost indefinite shelf life and may be sold and shipped to any market regardless of its vicinity to an ethanol plant. We intend to market DDGS and are exploring possibilities of local demand for DMWG to market at least a portion of our distillers grains in this form.

Corn Feedstock Supply

We anticipate that our Plant will process approximately 18 million bushels of grain per year or 49,300 bushels per day as the feedstock for its dry milling process. The corn supply for our plant will be obtained primarily from local markets. In the year 2003, in the area surrounding the proposed site at Shenandoah, corn production was approximately 167.4 million bushels. In 2004, which was a record year for corn production in the US, the same area surrounding the proposed site in Shenandoah, produced approximately 263.5 million bushels - an increase of approximately 96 million bushels. We believe such increases were due in part to better genetics in the corn seed itself as well as very favorable climatic conditions. There is no assurance that such high levels of production can be achieved in the future. The following table provides a summary of the approximate number of bushels of corn produced by suppliers, in the counties surrounding the proposed site in Shenandoah, Iowa, during the year 2004. These figures were obtained from information published by the US Department of Agriculture and the National Agricultural Statistics Service (NASS).

County	District	Corn (bushels)
Adair, Iowa	SW	19,300,000
Fremont, Iowa	SW	21,670,000
Cass, Iowa	SW	23,850,000
Page, Iowa	WC	18,620,000
Mills, Iowa	SW	18,300,000
Montgomery, Iowa	SW	16,860,000
Pottawattamie, Iowa	SW	42,300,000
Taylor, Iowa	SW	11,050,000
Atchison, Missouri	SW	22,182,000
Nodaway, Missouri	NW	17,125,000
Nemaha, Nebraska	SW	12,732,400
Cass, Nebraska	SE	20,585,600
Otoe, Nebraska	SE	18,921,600
Total		263,496,600

Source: USDA and NASS Websites

The price and availability of grain are subject to significant fluctuations depending upon a number of factors that affect commodity prices in general, including crop conditions, weather, governmental programs and foreign purchases. Because the market price of ethanol is not related to corn prices,

ethanol producers are generally not able to compensate for increases in the cost of corn feedstock through adjustments in prices charged for their ethanol. We therefore anticipate that our Plant's profitability will be negatively impacted during periods of high corn prices. The straight, average price for corn in Iowa over the past ten years has been approximately $2.185 per bushel. In the area surrounding the proposed site in Shenandoah, Iowa over the last ten years has been slightly less. The average price of $2.185 per bushel was calculated by the Company gathered from information provided on the website of the National Agricultural Statistics Service, a division of the USDA.

Grain Elevators

We anticipate establishing ongoing business relationships with local corn farmers and elevators to acquire the corn needed for the project. Much of our corn is expected to be acquired directly from farmers. Most of the farmers in the area have their own dry storage facilities. This will allow us to purchase much of the corn needed to operate the Plant directly from farmers. We expect to become licensed as an Iowa Grain Dealer, which will allow us to contract to purchase Iowa grains. We have identified a number of farms and elevators as potential sources of corn for our plant and have had discussions with various different people and groups about future corn delivery. We have no contracts, agreements or understandings with any grain producers in the area, although we anticipate procuring corn from these sources.

Commodities Manager

We intend to hire a commodities manager to ensure the consistent scheduling of corn deliveries and to establish and fill forward contracts through the grain elevators and local farmers. The commodities manager will coordinate corn deliveries between the trucks, railroad and the participating farmers and elevators. Additionally, the commodities manager will help develop price protection through the use of hedging strategies, with input from our general manager, Doug Shultz of John Stewart and Associates, who we anticipate engaging to help us create such strategies, and certain members of our Board of Directors.

Ethanol Markets

Ethanol has important applications. Ethanol is a primary fuel that can be used in blended gasoline in quantities as high as 85% (E-85) per gallon in certain flex-fuel vehicles. However, ethanol can also be used as a high quality octane enhancer and as an oxygenate capable of reducing air pollution and improving automobile performance. This is how ethanol has been predominately used in the United States in the past. Further, the ethanol industry has historically been heavily dependent on several economic incentives to produce ethanol. However, the need for such incentives is becoming less and less as the acceptance of ethanol as a primary fuel and as a fuel additive continues to increase.

Local Ethanol Markets

Local markets are, of course, the easiest to service because of their close proximity. We are building our plant in an area where there is no other ethanol plants within approximately a 100 mile radius. Therefore, we may be able to market a significant portion of our ethanol in the surrounding area. However, the local markets where we intend to build our Plant may be oversold with other regional marketers, and if we were to focus solely on local markets, it could depress the local ethanol price. Therefore, we anticipate that we will market the majority of our ethanol to regional and national markets.

Regional Ethanol Markets

Typically a regional market is one that is outside of the local market, yet within the neighboring states. This market will likely be serviced by rail, and is within a 450-mile radius of the Plant. A spur of the rail lines of Burlington Northern railroad run adjacent to our site in Iowa. However, we will

have to expend a substantial amount of capital to have the spur upgraded to service our plant - approximately $3.5 million dollars. We will also have to spend significant capital to put in rail sidings, switches, etc. on our property to allow us to move and store rail cars at the site - approximately $1.6 million. When completed, these rail lines will allow us to sell our products to both the Western and Eastern markets. The rail lines and the nearness of Interstate Highways will allow us to transport our products to regional markets. Regional markets typically include large cities that are either carbon monoxide or ozone non-attainment areas.

Generally, the regional market is good business to develop. The freight is reasonable, but the competition is often aggressive. However, due to the proximity of regional markets, it is often easier to obtain letters of intent to sell product to regional buyers than from national buyers. These letters, while not binding, do tend to raise the comfort level of the financial lending institutions. Not surprising in a regional market, letters of intent to purchase are taken quite seriously by the buyer. Regional pricing tends to follow national pricing less the freight difference. As with national markets, the use of a group-marketing program or a broker is advantageous, especially in the first one to three years of operation. At this time, we have no letters of intent with any third party concerning the possible sale of ethanol.

Occasionally there are opportunities to obtain backhaul rates from local trucking companies. These are rates that are reduced since the truck is loaded both ways. Normally the trucks drive to the refined fuels terminals empty and load gasoline product for delivery. A backhaul is the opportunity to load the truck with ethanol to drive to the terminal.

National Ethanol Markets

In the past few years, California has been the focus of a major ethanol campaign as MTBE has now been phased out. California banned the use of MTBE beginning January 1, 2004. California represents a market of about 950 million gallons annually due to the oxygenate requirements. With further steps recently taken by the State, the consumption of ethanol is expected to increase substantially within California.

While there is a great deal of focus on California, another emerging ethanol market is in the Northeast. Both New York and Connecticut banned the use of MTBE as of December 31, 2004. As in California, the primary drivers are the health and water concerns surrounding the use of MTBE. According to representatives of our anticipated ethanol marketing group, RPMG, the markets in the Northeast currently consume approximately 300 to 400 million gallons of ethanol on an annual basis. In 2005, New Jersey banned the use of MTBE. That phase out becomes effective on May 1, 2006. New Jersey alone represents 400 million gallons annually of incremental ethanol blending. If, other States, such as Pennsylvania, Maryland, Massachusetts, Rhode Island and Maine, (and it is anticipated that they will do so) begin to phase out the use of MTBE, the usage in the Northeast could increase by an additional 1 billion gallons annually, bringing the total consumption in the Northeast corridor to over 1.8 billion gallons per year.

The location of Burlington Northern rail lines running adjacent to our proposed Plant site will allow us to transport our ethanol to markets throughout the country. Being an ethanol producer west of the Mississippi, we believe the Western markets will become our largest and best markets, because it will be less expensive to transport our products to the western markets than to the eastern. However, we intend to market our ethanol to the best available market at any given time.

California, Illinois, Ohio and Minnesota are by far the largest ethanol markets. In addition to California there are also other significant national ethanol market opportunities such as Arizona, Colorado, Texas, Oregon, Washington, New Mexico and Nevada, and more are developing, especially, with the passage of the US Energy Bill in 2005. The bill mandated that at least 7.5 billion gallons of ethanol were to be used annually within the United States by the year 2012.

General Demand

Ethanol demand is expected to continue at a very aggressive pace. If the use of MTBE is phased out on a national level in the next few years, and the use of E-85 as a primary fuel increases dramatically, as it is anticipated to do, more than a doubling of ethanol demand could occur. This outlook was affected significantly with the passage of the Energy Bill by the US Congress in 2005.

Ethanol Pricing

Historically, ethanol prices tend to track the wholesale gasoline price plus the federal tax incentive of 52(cent) per gallon. In 1996 the ethanol price increased dramatically because high corn prices caused many ethanol plants to curtail operations or shutdown. During the past two years, ethanol has traded between a high of approximately $3.05 and a low of approximately $1.05 per gallon. Prices can vary from state to state at any given time.

The average price of corn in Iowa has historically been less than in many other parts of the country, which is why we are focusing so intently on Iowa for site location. However, unlike some neighboring states, such as Minnesota, South Dakota, Nebraska, and Wisconsin, in which some of our competitors are doing business, the State of Iowa does not have a state ethanol producer incentive payment program. The lack of such an incentive may place us at a competitive disadvantage for capital and other resources when compared to competing ethanol producers in other states.

Federal Ethanol Supports

Ethanol sales have been favorably affected by the Clean Air Act amendments of 1990, particularly the Federal Oxygen Program which became effective November 1, 1992. The Federal Oxygen Program requires the sale of oxygenated motor fuels during the winter months in certain major metropolitan areas to reduce carbon monoxide pollution. Ethanol use has increased due to a second Clean Air Act program, the Reformulated Gasoline Program. This program became effective January 1, 1995, and requires the sale of reformulated gasoline in nine major urban areas to reduce pollutants, including those that contribute to ground level ozone, better known as smog.

The use of ethanol as an oxygenate to blend with fuel to comply with federal mandates also has been aided by federal tax policy. The Energy Tax Act of 1978 exempted ethanol blended gasoline from the federal gas tax as a means of stimulating the development of a domestic ethanol industry and mitigating the country's dependence on foreign oil. As amended, the federal tax exemption currently allows the market price of ethanol to compete with the price of domestic gasoline. The exemption for a 10% ethanol blend is the equivalent of providing a per gallon "equalization" payment that allows blenders to pay more for ethanol than the wholesale price of gasoline and still retain profit margins equal to those received upon the sale of gasoline that is not blended with ethanol. Under current legislation, the federal gasoline tax is $0.184 per gallon and the tax on a 10% ethanol blend is $0.13 per gallon, providing a $0.054 difference. The exemption gradually dropped to 5.1 cents in 2005. This federal tax exemption is scheduled to expire in 2007.

We believe the most significant boost to ethanol demand was the passage of the Energy Bill last year (2005) by the US Congress. The bill mandates that at least 7.5 billion gallons of ethanol be used on an annual basis within the US by the year 2012. It also gives "small ethanol producers" producing less than 60 million gallons of ethanol per year a 10 cent per gallon federal tax credit on the first 15 million gallons produced on an annual basis. We believe we will be eligible for this credit and intend to apply for it once our Plant is operational.

Project Location--Proximity to Markets

We intend to build our Plant in southwestern Iowa in Fremont County near the City of Shenandoah. Site selection was based upon location to existing grain production and price, animal feed lots, roads, rail transportation, natural gas lines, and major population centers. In November, 2005, we purchased two different parcels of land totaling approximately 95.91 acres from a private individual. The Shenandoah Chamber and Industry Association ("SCIA") is donating to us an additional parcel of land of approximately 12 acres that lies to the southeast of these two parcels. The rail lines of Burlington Northern run along the Southern border of SCIA's property. These lines will connect us to the regional and national ethanol markets of the U.S. Final site selection was contingent on analysis of such issues as cost of water, utilities and transportation, and upon raising sufficient funds to allow for construction, the securing of additional financing needed, and obtaining necessary permits and approvals to build at the selected location. There are no affiliations with the Company, or any of our directors, and the owners of the land from whom we acquired the land to build our Plant.

Transportation and Delivery

The Plant will have the facilities to receive grain by truck and rail and to load ethanol and distiller's grains onto trucks and rail cars. The site of the Plant lies adjacent to the lines of the Burlington Northern Railroad (BNSF). However, the spur on which the plant will be located needs to be upgraded to meet HAZMAT (Hazardous Materials) standards. Approximately 20 miles of the spur will need to be upgraded and some additional track will need to be constructed (the "GPRE Track"). On January 26, 2006, we entered into an Allowance Contract (the "Allowance Agreement") with BNSF Railway Company ("BNSF") to renovate and add the additional track.

Under the Allowance Agreement, we will undertake to fund an estimated $3.5 million for track renovation and construction. The renovation and construction work will be done by BNSF. We are entitled to receive refund payments from BNSF to reimburse us for this expense. We will receive rebates for each car that is place on the track, but only to the extent that our usage of the line exceeds the annual volume thresholds. There can be no assurance that our usage will surpass the annual volume thresholds or that we will be reimbursed for all or any part of the renovation or construction costs.

The Allowance Agreement is for a term expiring on September 14, 2015. We are responsible for complying with all laws, regulations, ordinances, orders, covenants, restrictions, and decisions of any court of competent jurisdiction in connection with our use of the GRPE Track ("Laws") and the related renovation and construction work. Our use of the GPRE Track is at our sole risk and expense, and we are required to maintain, or cause to be maintained, the GRPE Track and all facilities and equipment, if any, in a safe and satisfactory condition, in compliance with all applicable Laws and in a condition satisfactory to BNSF. BNSF may require for safety purposes that we, at our sole cost and expense, provide flagmen, lights, traffic control devices, automatic warning devices, or any such safety measures that BNSF deems appropriate in connection with our use of this property and we are required to reimburse BNSF for the costs of such items.

We also agreed to release, indemnify, defend, and hold BNSF harmless from and against all claims, liabilities, fines, penalties, costs, damages, and other expenses arising out of or related to our renovation, construction and use of the GPRE Track.

Utilities

The production of ethanol is a very energy intensive process that uses significant amounts of electricity and natural gas. Water supply and quality is also an important consideration.

Natural Gas

The Plant will produce process steam from its own boiler system and dry the DDGS by-product via a direct gas-fired dryer. We anticipate the Plant will use approximately 5,500 deca-therms per day. The price of natural gas is volatile, therefore we expect to use hedging strategies to protect us from the volatility of gas prices. We have hired U.S. Energy Services, Inc., who is experienced in doing this to assist us.

Although, as described in the following paragraph, Mid American Energy has agreed to construct a gas pipeline to the Plant, we will not be committed to purchase natural gas from Mid American. We expect to purchase natural gas from the best possible source at any given time and simply pay a tariff fee to Mid American for transporting the gas through the pipeline. We could choose to purchase natural gas from Mid American and/or Northern Natural Gas, or any other third party, but we have not yet entered into any agreement with a utility regarding the specific type and nature of service to be provided.

To access sufficient supplies of natural gas to operate the Plant, a connection to a distribution pipeline located underground, which lies about 9 miles away from the site will be required. Mid American Energy has agreed that they would pay for the initial costs to run the additional pipe needed to make our Plant operational. However, we would be expected to pay for a portion of the costs if we were to expand the plant in the future. We have entered into an agreement with U.S. Energy Services, Inc. to act as our natural gas purchaser and we anticipate entering into agreements, with the assistance of U.S. Energy Services, with a natural gas supplier(s) at whatever site we choose before we begin construction of the Plant. U.S. Energy Services, Inc. will also act as our risk manager where natural gas is concerned.

Electricity

The Plant will require approximately 30,000,000 kilowatts hours per year. We have been in discussions with Mid American Energy concerning the purchase of electricity. We believe that we will be able to purchase electricity from Mid American and that Mid American will supply electricity to the plant at rates that will be favorable for the Company for a period of 5 years. If we were to build other plants in Iowa in the future, electricity at other sites in Iowa may or may not be supplied by Mid American, but we would expect to be able to negotiate favorable rates at other sites with Mid American or other electricity providers. However, no assurance can be given that we would be able to negotiate favorable rates. We would anticipate negotiating an agreement with a power supplier at any site before we began construction of any other Plant.

Water

We will require a significant supply of water. The water requirements for a 50 million-gallon per-year plant are approximately 400 to 600 gallons per minute. That is approximately 864,000 gallons per day if we were to use the maximum amount. Much of the water used in an ethanol plant is recycled back into the process. We will need boiler makeup water and cooling tower water. Boiler makeup water is treated on-site to minimize all elements that will harm the boiler. Recycled water cannot be used for this process. Cooling tower water is deemed non-contact water (it does not come in contact with the mash) and, therefore, can be regenerated back into the cooling tower process. We anticipate using "grey water" that the City has agreed to give us for the cost of pumping the water from their treatment plant to our site, for this part of the Plant at the Shenandoah site. This water will makeup about two thirds of the water that we will use at the Plant. The makeup water requirements for the cooling tower are primarily a result of evaporation. Depending on the type of technology utilized in the plant design, much of the water can be recycled back into the process, which will minimize the discharge water. This will have the long-term effect of lowering wastewater treatment costs. Many new plants today are zero or near zero effluent facilities. At most, there should be no more than 300 gallons per minute of non-contact cooling water effluent.

The City Engineer for Shenandoah, the Manager of the Waste Water Treatment Facility in Shenandoah and engineers from Fagen and ICM, working together have almost completely designed the water system we will be using at the Plant We anticipate purchasing the potable water that we will need for the distillation process itself (water that will come into contact with the mash) from the City of Shenandoah also. We have discussed our water needs with the City's water plant superintendent, Kirk Kemper and Greg Scott, the Waste Water Treatment Plant superintendent, on various occasions to make sure that there is sufficient water for the Plant's operations. Mr. Kemper and Mr. Scott have also had conversations with engineers at Fagen. and ICM to understand more fully the exact amounts and types of water that will be necessary at our facility. Each time we have had conversations with Mr. Kemper and Mr. Scott, including conversations after they had been in contact with the engineers at Fagen and ICM, we have been assured that the community has sufficient water to meet our needs and that our water usage will not have any adverse effects on the needs of other water users in the community.

Our Primary Competition

We will be in direct competition with numerous other ethanol producers, many of whom have much greater resources. Currently, there are approximately 124 producing ethanol plants within the United States. Several of these are either presently expanding their production capabilities or have plans to do so. There are also numerous other plants under construction, and many more on the drawing boards. Therefore, our proposed Plant will compete with many other ethanol producers on the basis of price and, to a lesser extent, delivery service. We anticipate that such competition will be extensive.

We also face competition from foreign producers of ethanol and such competition may increase significantly in the future. According to information obtained from the website of the Iowa Farm Bureau, at this time, there are large international companies that have much greater resources than we have, including Cargill, developing foreign ethanol production capacity. Cargill is currently developing ethanol production capacity in El Salvador to process Brazilian ethanol for export to the U.S. Long-standing U.S. trade preferences for Caribbean and Central American countries allow them to ship ethanol to the U.S. duty-free, avoiding a 54 cent per gallon import tariff that would otherwise apply. 61 million gallons of ethanol were brought into the U.S. through the Caribbean in 2003, to avoid said tariff, most of it reprocessed Brazilian ethanol. It is believed that more than this amount was brought into the U.S. in 2004 and 2005, but we do not have data at this time to substantiate what those numbers actually were.

Brazil is the world's largest ethanol producer. They make ethanol primarily from sugarcane for about half of what it costs to make ethanol from corn in Iowa. Brazil exported another 10 million gallons of ethanol directly to the U.S. in 2003, even with the full import tariff. They could export even more this year. If significant additional foreign capacity is created, such facilities could produce a glut of ethanol on the world markets. Such a glut could lower the price of ethanol throughout the world, including the U.S. If this were to happen, it could have an adverse effect our operations and potential profitability. We do not believe that this is likely to happen, because we believe ethanol usage is going to increase significantly in the future rather than decrease, due in part to higher prices for oil, which we expect to increase even further from their current levels. However, such foreign competition is a risk to our business.

Further, if the import duty on foreign ethanol were to ever be lifted for any reason, our ability to compete with such foreign companies would be drastically reduced. Although, at this time, such risks cannot be precisely quantified, we believe that such risks exist, and could increase in the future.

Another risk we face is that because we do not presently have any contracts to acquire corn from any producers, we may have to pay more for corn than other plants that do have existing contracts. We believe we can compete favorably with other ethanol producers due to our proximity to ample grain supplies at favorable prices, because, historically, the price of corn in the Southwest region of the State has been, more often than not, lower than in other regions of Iowa. However, no guarantee can be given that the prices will remain lower or that we will be able to purchase corn at lower prices than our competition.

During the last twenty years, ethanol production capacity in the United States has grown from almost nothing to an estimated 4.3 billion gallons per year. New plants currently under construction and plants currently being expanded should increase capacity by approximately 1.8 billion gallons by the end of 2006 and the beginning of 2007. We believe this increase in capacity will continue in the future as more plants are built and/or expanded. We cannot determine the effect of this type of an increase upon the demand or price of ethanol.

As stated above, the ethanol industry has grown to approximately 124 production facilities in the United States. Industry authorities estimate that these facilities are capable of producing approximately 4.3 billion gallons of ethanol per year. The largest ethanol producers include Archer Daniels Midland, Cargill, Minnesota Corn Processors, Broin, Vera Sun, Midwest Grain, Williams Energy Service, New Energy Corporation and High Plains Corporation, all of which are capable of producing more ethanol than we expect to produce. In addition, there are several regional entities recently formed, or in the process of formation, of a similar size and with similar resources to ours.

The following table identifies all of the producers in the United States that we are aware of along with their production capacities.

U.S. FUEL ETHANOL PRODUCTION CAPACITY
million gallons per year (mmgy)

Company	Location	Feedstock	Current Capacity (mmgy)	Under Construction/ Expansions (mmgy)
Abengoa Bioenergy Corp.	York, NE	Corn/milo	55	
	Colwich, KS		25	
	Portales, NM		30	
	Ravenna, NE			88
ACE Ethanol, LLC	Stanley, WI	Corn	39	
Adkins Energy, LLC*	Lena, IL	Corn	40	
Advanced Bioenergy	Fairmont, NE	Corn		100
AGP*	Hastings, NE	Corn	52	
Agra Resources Coop. d.b.a. EXOL*	Albert Lea, MN	Corn	40	8
Agri-Energy, LLC*	Luverne, MN	Corn	21	
Alchem Ltd. LLLP	Grafton, ND	Corn	10.5	
Al-Corn Clean Fuel*	Claremont, MN	Corn	35	
Amaizing Energy, LLC*	Denison, IA	Corn	40	
Archer Daniels Midland	Decatur, IL	Corn	1,070	
	Cedar Rapids, IA	Corn		
	Clinton, IA	Corn		
	Columbus, NE	Corn		
	Marshall, MN	Corn		
	Peoria, IL	Corn		
	Wallhalla, ND	Corn/barley		
Aventine Renewable Energy, LLC	Pekin, IL	Corn	100	57
	Aurora, NE	Corn	50	

Badger State Ethanol, LLC*	Monroe, WI	Corn	48	
Big River Resources, LLC*	West Burlington, IA	Corn	40	
Broin Enterprises, Inc.	Scotland, SD	Corn	9	
Bushmills Ethanol, Inc.*	Atwater, MN	Corn		40
Cargill, Inc.	Blair, NE	Corn	85	
	Eddyville, IA	Corn	35	
Central Indiana Ethanol, LLC	Marion, IN	Corn		40
Central MN Ethanol Coop*	Little Falls, MN	Corn	21.5	
Central Wisconsin Alcohol	Plover, WI	Seed corn	4	
Chief Ethanol	Hastings, NE	Corn	62	
Chippewa Valley Ethanol Co.*	Benson, MN	Corn	45	
Commonwealth Agri-Energy, LLC*	Hopkinsville, KY	Corn	24	9
Corn, LP*	Goldfield, IA	Corn	50	
Cornhusker Energy Lexington, LLC	Lexington, NE	Corn		40
Corn Plus, LLP*	Winnebago, MN	Corn	44	
Dakota Ethanol, LLC*	Wentworth, SD	Corn	50	
DENCO, LLC*	Morris, MN	Corn	21.5	
E3 Biofuels	Mead, NE	Corn		24
East Kansas Agri-Energy, LLC*	Garnett, KS	Corn	35	
ESE Alcohol Inc.	Leoti, KS	Seed corn	1.5	
Ethanol2000, LLP*	Bingham Lake, MN	Corn	32	
Frontier Ethanol, LLC	Gowrie, IA	Corn		60
Front Range Energy, LLC	Windsor, CO	Corn		40
Glacial Lakes Energy, LLC*	Watertown, SD	Corn	50	
Golden Cheese Company of California*	Corona, CA	Cheese whey	5	
Golden Grain Energy, LLC*	Mason City, IA	Corn	40	
Golden Triangle Energy, LLC*	Craig, MO	Corn	20	
Grain Processing Corp.	Muscatine, IA	Corn	20	
Granite Falls Energy, LLC	Granite Falls, MN	Corn	45	
Great Plains Ethanol, LLC*	Chancellor, SD	Corn	50	
Green Plains Renewable Energy	Shenandoah, IA	Corn		50
Hawkeye Renewables, LLC	Iowa Falls, IA	Corn	50	50
	Fairbank, IA	Corn		100
Heartland Corn Products*	Winthrop, MN	Corn	36	
Heartland Grain Fuels, LP*	Aberdeen, SD	Corn	9	
	Huron, SD	Corn	12	18

Heron Lake BioEnergy, LLC	Heron Lake, MN	Corn		50
Horizon Ethanol, LLC	Jewell, IA	Corn		60
Husker Ag, LLC*	Plainview, NE	Corn	26.5	
Illinois River Energy, LLC	Rochelle, IL	Corn		50
Iowa Ethanol, LLC*	Hanlontown, IA	Corn	50	
Iroquois Bio-Energy Company, LLC	Rensselaer, IN	Corn		40
James Valley Ethanol, LLC	Groton, SD	Corn	50	
KAAPA Ethanol, LLC*	Minden, NE	Corn	40	
Land O' Lakes*	Melrose, MN	Cheese whey	2.6	
Lincolnland Agri-Energy, LLC*	Palestine, IL	Corn	48	
Lincolnway Energy, LLC*	Nevada, IA	Corn		50
Liquid Resources of Ohio	Medina, OH	Waste Beverage	3	
Little Sioux Corn Processors, LP*	Marcus, IA	Corn	52	
Merrick/Coors	Golden, CO	Waste beer	1.5	1.5
MGP Ingredients, Inc.	Pekin, IL	Corn/wheat starch	78	
	Atchison, KS			
Michigan Ethanol, LLC	Caro, MI	Corn	50	
Mid America Agri Products/Wheatland	Madrid, NE	Corn		44
Mid-Missouri Energy, Inc.*	Malta Bend, MO	Corn	45	
Midwest Grain Processors*	Lakota, IA	Corn	50	45
	Riga, MI	Corn		57
Midwest Renewable Energy, LLC	Sutherland, NE	Corn	17.5	4.5
Minnesota Energy*	Buffalo Lake, MN	Corn	18	
Missouri Ethanol	Laddonia, MO	Corn		45
New Energy Corp.	South Bend, IN	Corn	102	
North Country Ethanol, LLC*	Rosholt, SD	Corn	20	
Northeast Missouri Grain, LLC*	Macon, MO	Corn	45	
Northern Lights Ethanol, LLC*	Big Stone City, SD	Corn	50	
Northstar Ethanol, LLC	Lake Crystal, MN	Corn	52	
Otter Creek Ethanol, LLC*	Ashton, IA	Corn	55	
Panhandle Energies of Dumas, LP	Dumas, TX	Corn/Grain Sorghum		30
Parallel Products	Louisville, KY	Beverage waste	5.4	
	R. Cucamonga, CA			

Permeate Refining	Hopkinton, IA	Sugars & starches	1.5	
Phoenix Biofuels	Goshen, CA	Corn	25	
Pine Lake Corn Processors, LLC*	Steamboat Rock, IA	Corn	20	
Platte Valley Fuel Ethanol, LLC	Central City, NE	Corn	40	
Prairie Ethanol, LLC	Loomis, SD	Corn		60
Prairie Horizon Agri-Energy, LLC	Phillipsburg, KS	Corn		40
Pro-Corn, LLC*	Preston, MN	Corn	42	
Quad-County Corn Processors*	Galva, IA	Corn	27	
Red Trail Energy, LLC	Richardton, ND	Corn		50
Redfield Energy, LLC	Redfield, SD	Corn		50
Reeve Agri-Energy	Garden City, KS	Corn/milo	12	
Siouxland Energy & Livestock Coop*	Sioux Center, IA	Corn	25	
Siouxland Ethanol, LLC	Jackson, NE	Corn		50
Sioux River Ethanol, LLC*	Hudson, SD	Corn	55	
Sterling Ethanol, LLC	Sterling, CO	Corn	42	
Tall Corn Ethanol, LLC*	Coon Rapids, IA	Corn	49	
Tate & Lyle	Loudon, TN	Corn	67	
The Andersons Albion Ethanol LLC	Albion, MI	Corn		55
Trenton Agri Products, LLC	Trenton, NE	Corn	35	10
United WI Grain Producers, LLC*	Friesland, WI	Corn	49	
US BioEnergy Corp.	Albert City, IA	Corn		100
	Lake Odessa, MI	Corn		45
U.S. Energy Partners, LLC	Russell, KS	Milo/wheat starch	48	
Utica Energy, LLC	Oshkosh, WI	Corn	48	
Val-E Ethanol, LLC	Ord, NE	Corn		45
VeraSun Energy Corporation	Aurora, SD	Corn	230	
	Ft. Dodge, IA	Corn		
Voyager Ethanol, LLC*	Emmetsburg, IA	Corn	52	
Western Plains Energy, LLC*	Campus, KS	Corn	45	
Western Wisconsin Renewable Energy, LLC*	Boyceville, WI	Corn		40
Wind Gap Farms	Baconton, GA	Brewery waste	0.4	
Wyoming Ethanol	Torrington, WY	Corn	5	
Xethanol BioFuels, LLC	Blairstown, IA	Corn	5	
Total Current Capacity			4336.4	
Total Under Construction/Expansions				1746
Total Capacity			6082.4	

* farmer-owned
Updated: January 2006

Source: Renewable Fuels Association

Operating Ethanol Plants in the State of Iowa

There are currently 21 operating ethanol plants in Iowa. Eight other plants are currently under construction in Iowa or are expected to begin construction in the near future. The plants are scattered throughout the State, but are concentrated, for the most part, in the northern and central regions where a majority of the corn is produced. We plan to build our Plant in the southwestern part of Iowa, where corn has historically been less expensive than in many other parts of the State.

Competition from Alternative Fuel Additives

Alternative fuels, gasoline oxygenates and ethanol production methods are continually under development by ethanol and oil companies with far great resources. New products or methods of ethanol production developed by larger and better-financed competitors could provide them competitive advantages and harm our business.

The development of ethers to be used as oxygenates may provide a growth segment for ethanol. Ethers are composed of isobutylene (a product of the refining industry) and ethanol or methanol. The products are ethyl tertiary butyl ether ("ETBE") or methyl tertiary butyl ether ("MTBE"). We expect to compete with producers of MTBE, a petrochemical derived from methanol that costs less to produce than ethanol. MTBE is a commonly used oxygenate used in fuels for compliance with Federal Clean Air Act mandates, and is a major competitor of ethanol. Many major oil companies produce MTBE, and strongly favor its use because it is petroleum based. These companies have significant resources to market MTBE and to influence legislation and public perception of MTBE. These companies also have sufficient resources to begin production of ethanol should they choose to do so.

However, MTBE has been linked to groundwater contamination at various locations in the east and west. As a result, California passed legislation which completely phased out MTBE from its gasoline pool as of January 1, 2004. Similarly, New York and Connecticut passed legislation to phase out the use of MTBE by December 31, 2004. According to the Energy Information Administration, more than sixteen states have banned the use of MTBE, due to concerns over groundwater contamination, and other states are proposing to do so. Ethanol is the most readily available substitute for MTBE in these markets. Assuming that more states, and/or the US Environmental Protection Agency, force elimination of MTBE, we would expect the demand for ethanol to increase.

With the recent passage of the Federal Energy Bill in 2005, the protection from lawsuits that had been granted to producers and blenders of MTBE were removed. This means that anyone that used MTBE in the past cannot be sued for doing so, since it was the Federal Government that required blenders to oxygenate with such things as MTBE in the first place. However, producers and/or blenders that continue to produce and/or use MTBE as an oxygenate, may be used in the future. Therefore, many producers and blenders are choosing not to use MTBE as an oxygenate, such as Valero, who stated that they were not going to produce or blend MTBE any more, two days after the legislation was passed and became law. Others are expected to follow.

Advances and changes in the technology of ethanol production are expected to occur. Such advances and changes may make the ethanol production technology less desirable or obsolete. The Plant is a single-purpose entity and has no use other than the production of ethanol and associated products. Any such event may have a material adverse effect on our operations, cash flows and financial performance.

Employees

We presently have three permanent employees, our CEO, our general manager and an assistant that works in our Shenandoah office with our general manager. Our success will depend in part on our ability to attract and retain qualified personnel at a competitive wage and benefit level. We must hire qualified managers, accounting, human resources and other personnel. We will operate in a rural area with low unemployment. There is no assurance that we will be successful in attracting and retaining qualified personnel at a wage and benefit structure at or below those we have assumed in our project. If we are unsuccessful in this regard, such event may have a material adverse effect on our operations, cash flows and financial performance.

Prior to completion of the Plant construction and commencement of operations, we intend to hire a total of approximately 34 employees. Approximately ten of our employees will work in management and administration and the remainder will work in Plant operations.

The following table represents some of the anticipated positions within the plant and the minimum number of individuals we intend to employ for each position:

Position	Number Employed
President/CEO	1
General Manager	1
Plant Manager	1
Production Manager	1
Commodities Manager	1
Controller	1
Lab Manager	1
Lab Technician	2
Environmental/Safety Specialist	1
Secretary/Clerical	4
Shift Supervisors	4
Maintenance Supervisor	1
Maintenance Craftsmen	4
Plant Operators	12
TOTAL	35

The position titles, job responsibilities and numbers allocated to each position may differ when we begin to employ individuals for each position.

We intend to enter into written confidentiality and assignment agreements with our officers and employees. Among other things, these agreements are expected to require such officers and employees to keep strictly confidential all proprietary information developed or used by us in the course of our business.

Sales and Marketing

We intend to sell and market the ethanol and distiller's grains produced at the Plant through normal and established markets. We hope to market all of the ethanol produced with the assistance of an ethanol distributor, but have not entered into any agreements regarding the sale of our ethanol. Similarly, we hope to sell all of our DDGS through the use of an ethanol-byproducts marketing firm, but have not entered into any agreements regarding the sale of our DDGS.

We do not plan to hire or establish a sales organization to market any of the products or by-products we produce. Consequently, we will be extremely dependent upon the entities we plan to engage to purchase or market each of our products.

Construction of the Plant--Proposed Design-Build Contract

We have entered into a Design-Build Contract with Fagen, Inc. in connection with the design, construction and operation of the Plant.

Fagen, Inc.

Fagen, Inc. has been involved in the construction of more ethanol plants than any other company in this industry. Fagen, Inc. is providing two services for the project. First, Fagen is acting as co-developer for the project along with ICM. Second, Fagen will act as the general contractor on the project. Fagen, Inc. has extensive experience in the area of heavy industrial projects, particularly agricultural based facilities. The expertise of Fagen in integrating process and facility design into a construction and operationally efficient facility is very important. In many instances, Fagen, Inc. has been asked to return to the plant as the maintenance contractor or follow up construction for major expansions. Fagen, Inc. has done repeat work for Chief Ethanol Fuels and Minnesota Corn Processors, both of whom rank in the top ten in terms of the largest ethanol producers.

Fagen's understanding of operational efficiencies and integration of various processes are essential to our success. Fagen, Inc. also has knowledge and support to assist our management team in executing a successful start-up. Fagen, Inc. is a meaningful project participant because of its investment and desire to facilitate the project's successful transition from start-up to day-to-day profitable operation.

General Terms and Conditions

We entered into a Lump-Sum Design Build Contract with Fagen, Inc. (the "Construction Agreement"). The Construction Agreement is dated January 13, 2006, but it was not mutually executed by the parties until January 23, 2006. Under the Construction Agreement, Fagen will provide all work and services in connection with the engineering, design, procurement, construction startup, performances tests, training for the operation and maintenance of the Plant and provide all material, equipment, tools and labor necessary to complete the Plant in accordance with the terms of the Construction Agreement. As consideration for the services to be performed, Fagen will be paid $55,881,454, subject to adjustments contained in the Construction Agreement.

We are required to pay an initial payment of $5,000,000, less retainage, at the time of the notice to proceed. We are required to make payments to Fagen based upon monthly applications for payment submitted to us by Fagen, Inc. for all work performed as of the date of the application. We expect to retain 10% of the amount submitted in each application for payment up to a maximum of $2,794,073. Retainage will be released upon substantial completion of the Plant or that related to completed portions of the work. All undisputed amounts not paid within five days after the due date will incur interest.

If Fagen encounters "differing site conditions," it will expect to be entitled to an adjustment in the contract price and time of performance, if such conditions adversely affect its costs and performance time. By "differing site conditions," we mean any concealed physical conditions at the site that:

- Materially differ from the conditions contemplated in the Construction Agreement; or
- Any unusual conditions which differ materially from the conditions ordinarily encountered in similar work.

In addition, Fagen is expected to be responsible for the following:

o Providing all necessary design services, such as architectural, engineering and other professional design services, consistent with applicable law and provided by licensed design professionals either employed by Fagen or qualified independent licensed design consultants;

o Performing all work in accordance with all legal requirements;

o Obtaining all underground utility locating service permits, building permits, mechanical permits, electrical permits, structure permits and above ground storage tank permits;

o Performing its responsibilities in a safe manner so as to prevent damage, injury or loss;

o Providing to us a warranty that the work performed for us is of good quality, conforms to all contract and construction documents, and is free of defect in materials and workmanship;

o For a period of one year after substantial completion, correcting, at their cost, any defects in materials and workmanship and commencing correction of defects within seven days of receipt of notice from us that the work performed was defective;

o Obtaining and providing us with a certificate of insurance covering claims arising from worker's compensation or disability; claims for bodily injury, sickness, death or disease, regardless of whether the person injured was an employee of Fagen; coverage for usual personal injury liability claims for damages sustained by a person as a direct or indirect result of Fagen's employment of the person, or sustained by any other person; claims for damage or destruction of tangible personal property; claims for damages (other than relating to Fagen's work) because of injury to or destruction of tangible property; claims arising from personal injury, death or property damage resulting from ownership, use and maintenance of any motor vehicles; or claims pursuant to any duty to indemnify. Such insurance must be maintained throughout the development and construction of the Plant; and

o Indemnifying, defending and holding us, our officers, directors, agents and employees harmless against any claims, losses, damages, liabilities, including attorney's fees and expenses, for any bodily injury, sickness, death or damage or destruction of property if such arises from the negligent acts or omissions of Fagen, its consultants, agents or employees.

We expect to be responsible for the following:

o Obtaining and maintaining liability insurance to protect us from any claim that may arise from performance of our responsibilities;

o Obtaining and maintaining property insurance for the full insurable value of the Plant, including professional fees, overtime premiums and all other expenses incurred to replace or repair the Plant;

o Indemnifying, defending and holding Fagen, its officers, directors, agents and employees harmless against any claims, losses, damages, liabilities, including attorney's fees and expenses, for any bodily injury, sickness, death or damage or destruction of property due to the negligent act or omission of our officers, directors, agents and employees;

o Rough grading and preparing the construction site to the specifications of Fagen;

o Obtaining septic tank and drain field permits, railroad permits and approvals, archeological survey, highway access permit, construction air permit, construction permit, operations permit, wastewater permit, water appropriation permit, fire protection permit and TTB permit;

- Procuring potable water supply and distribution, process water supply and distribution, fire loop and fire protection system, a continuous supply of electricity and natural gas to the site, utility water discharge line, wells and well pump, and fencing;

- Arranging for rail service, tracks, ties and ballast to the Plant.

Fagen will have the right to stop or postpone work and to reasonably adjust the time for completion of the Plant if any of the following occurs:

- There is a force majeure event, such as, without limitation, floods, earthquakes, hurricanes, tornadoes, adverse weather conditions not reasonably anticipated or acts of God; sabotage; vandalism beyond that which could reasonably be prevented; terrorism; war; riots; fire; explosion; blockades; insurrection; strike; slow down or labor disruptions; economic hardship or delay in the delivery of materials or equipment that is beyond the control of Fagen, and action or failure to take action by any governmental authority, but only if such requirements, actions, or failures to act prevent or delay performance; and inability, despite due diligence, to obtain any licenses, permits, or approvals required by any governmental authority

- The presence of any hazardous conditions at the construction site. Upon receiving notice of a hazardous condition, we must immediately proceed to correct the condition. After the condition is corrected and our experts provides written certification that the hazardous condition has been corrected and all necessary governmental approvals have been obtained, Fagen should resume work in the effected area. Fagen may be entitled to an adjustment in price and time for completion of the Plant if its price and time for performance has been adversely affected by the hazardous condition;

- Work on the Plant has stopped for 60 consecutive days, or more than 90 days total, because of any order from us or a court or governmental authority, if such stoppage is not because of any act or omission of Fagen or because we failed to provide Fagen with information, permits or approvals for which we will be responsible. Fagen may terminate the Construction Agreement if we do not begin to correct the above within seven days after receipt of Fagen's termination notice.

All drawings, specifications, calculations, data, notes and other materials and documents furnished by Fagen will be owned by Fagen. We will be granted an irrevocable limited license to use such drawings, specifications and related documents in connection with our occupancy and repair of the Plant.

Timetable for Completion of the Plant, Early Completion Bonus and Liquidated Damages

It is estimated that the Plant will be substantially completed within 485 days after the notice to proceed, which may not be given prior to March 1, 2006. Fagen is entitled to an early completion bonus if the project is finished ahead of schedule and is required to pay liquidated damages in the event the project is not timely completed. This schedule also assumes that weather, strikes, and other factors beyond our control do not upset our timetable. There can be no assurance that the timetable that we have set will be followed, and factors or events beyond our control could hamper our efforts to complete the project in a timely fashion.

It is anticipated that Fagen, Inc. will deliver the plant on time. However, it is unknown at this time exactly how many plants Fagen, Inc. has contracted to build, but it is believed that the number of plants Fagen, Inc. has contracted to build in the coming year and a half is substantial. Further, Fagen, Inc. owns controlling interest in more than one of the plants that are presently being constructed. Therefore, because Fagen, Inc. has much larger interests in plants currently under construction than ours, (which could cause Fagen, Inc. to commit more of its time and resources into the construction of such plants) and because Fagen, Inc. has taken on so much work, there is a risk that Fagen, Inc. could fail to perform in a timely manner and not be able to build our plant within the time frame outlined by our contract with Fagen, Inc.

Termination

Both parties have the right to terminate the Construction Agreement for cause. If we terminate the Construction Agreement without cause or if Fagen terminates the Construction Agreement for cause, then we will be required to pay Fagen for (i) all work executed prior to termination, (ii) Fagen's reasonable costs and expenses attributable to such termination, (iii) amounts due in settlement of terminated contracts with subcontractors and design consultants, (iv) overhead and profit margin of fifteen percent on the sum of (i) and (ii), (v) all retainage withheld by us on account of work that was completed in accordance with the Construction Agreement, and (iv) $1,250,000 for the use of Fagen's work product if we resume construction of the plant without utilizing Fagen's services.

Dispute Resolution

The Construction Contract provides that disputes would first be resolved through discussions between Fagen and us. If the dispute is still not resolved, then the parties would submit the matter to non-binding mediation. In the event that the dispute is still not settled, the matter must be resolved by arbitration in accordance with the Construction Industry Arbitration Rules and Mediation Provisions of the American Arbitration Association, unless the parties agree otherwise. The determination of the arbitrator is expected to be final and may not be appealed to any court. The prevailing party in any arbitration proceeding is entitled to recover reasonable attorney's fees and expenses incurred.

Regulatory Permits

We engaged two different environmental consulting firms to coordinate, advise and assist us with obtaining certain environmental, occupational health, and safety permits, plans, submissions, and programs. Many of those permits are discussed below. In addition to these permits, we have applied and will apply for other local, state, and federal permits related to environmental, occupational health, and safety requirements as needed. The information below is based in part on information generally relied upon by consultants and may include certain assumptions regarding the accuracy of specifications provided by manufacturers of the equipment and other components used in the construction of the Plant.

Phase I Environmental Permit

Before construction could begin, we had to obtain a Phase I Environmental Permit, which stated that the proposed site was not contaminated in anyway that would pose an environmental hazard to anyone working at the site. We entered into an agreement with PSI, Inc. of Omaha, NE to perform this work. They completed their study and found that there were no such hazards present at the proposed site, and that we would be able to proceed with construction.

Air Permit

We engaged NRG (Natural Resource Group) to do the modeling and obtain our air permit for the plant in Shenandoah. As of this writing, that process is almost completed and we anticipate that our air permit will be obtained from the IDNR by the time we are ready to commence construction. However, no concrete can be laid until this permitting is completed.

Waste Water Discharge Permit

This Plant will be a zero-discharge facility. We expect that we will use water to cool our closed circuit systems in the Plant. In order to maintain a high quality of water for the cooling system, the water will be continuously replaced with make-up water. As a result, this plant will discharge clean,

non-contact cooling water from boilers and the cooling towers. Several discharge options, including publicly owned treatment works, use of a holding pond, discharge to a receiving stream, subsurface infiltration, irrigation and other options are under consideration by our consulting engineers and us. All of our waste water will be returned to the City of Shenandoah, therefore, it is our understanding that we will not need to apply for this permit because we will not be releasing waste water. The disposal of waste water will be the city's responsibility.

Storm Water Discharge Permit and Storm Water Pollution Prevention Plan (SWPPP Permits)

Before we can begin construction of our Plant, we must obtain an Industrial Storm Water Discharge Permit from the Iowa Department of Natural Resources ("IDNR"). This permit is required for any construction project. We were informed by the IDNR that we simply have to file a Notice of Intent in a local newspaper as well as a Notice of Intent to them. This permit will be classified as either general or specific by the IDNR and the application for it must be filed before construction begins. In connection with this permit and notice, we must also have a Storm Water Pollution Prevention Plan in place that outlines various measures we plan to implement to prevent storm water pollution.

If the IDNR does not object to the notice of intent, according to representatives of NRG, we could begin construction and allow storm water discharge 3 business days after the filing. As part of the application for the Construction Site Storm Water Discharge Permit, we will need to prepare a construction site erosion control plan. We would also be subject to certain reporting and monitoring requirements. This is also something we intend to hire out to a third party experienced with plans and filings.

We entered into an agreement with NRG in the fall of 2005, to obtain these permits.

Bureau of Alcohol, Tobacco and Firearms Requirements

Before we can begin operations, we will have to comply with applicable Bureau of Alcohol, Tobacco and Firearms ("ATF") regulations. These regulations require that we first make application for and obtain an alcohol fuel producer's permit. 27 CFR ss.19.915. The application must include information identifying the principal persons involved in our venture and a statement as to whether any such person has ever been convicted of a felony or misdemeanor under federal or state law. The term of the permit is indefinite until terminated, revoked, or suspended. The permit also requires that we maintain certain security measures. We must also secure an operations bond pursuant to 27 CFR ss. 19.957. There are other taxation requirements related to special occupational tax and a special tax stamp.

FAA

The proposed site in Shenandoah, Iowa is situated within a few thousand feet of the Shenandoah airport. Our highest structure, the grain leg between our two main storage silos, was anticipated to be 165'. Therefore, we needed to receive approval from the FAA to build the Plant at the Shenandoah site.

The City Engineer in Shenandoah, who has had significant dealings with the FAA indicated to us that he didn't believe there would be a problem if we kept the structure below 150'. Engineers at Fagen, Inc., Inc. indicated that that had faced that problem before and stated that they could redesign the Plant to keep the grain leg under 150'. Therefore, we applied to the FAA for the approval to build the Plant with the highest structure not to exceed 165'. We were granted that approval to build on January 6, 2005. However, we were also told that we could only build as long as the highest structure did not exceed 150'. Engineers at Fagen, Inc. have since redesigned the plant not to exceed 150' by lowering the grain leg and installing a series of conveyor belts that will effectively move the grain into the hammer mill.

EPA

Even if we receive all environmental permits for construction and operation of the Plant, we will also be subject to oversight activities by the EPA. There is always a risk that the EPA may enforce certain rules and regulations differently than an individual state's environmental administrators. Environmental rules are subject to change, and any such changes could result in greater regulatory burdens.

Expected Timing of Permitting and Consequences of Delay or Failure

Without the air pollution construction permits, we will be unable to begin construction. As stated above, these permits have been applied for and it is anticipated that the air pollution construction permit applications will be obtained prior to the beginning of construction. Once granted, the permit is valid indefinitely until the plant is modified or there is a process change that changes air emissions.

We must complete our spill prevention control and countermeasure ("SPCC") plan at or near the time of commencement of operations. That is in the process of being completed and near completion.

If we decided to expand the plant and perhaps drill a well at the site, we would also need to obtain a high capacity water withdrawal permit before commencing operations, However, there is no assurance that this permit would be granted.

We must obtain an Alcohol Fuel Producer's Permit, post an operations bond, and file certain information with the Bureau of Alcohol, Tobacco, and Firearms before we begin operations. We anticipate applying for this permit in a timely fashion and believe that the permit will be granted. However, no assurance can be given that it will be granted.

Without the air pollution construction permit, the waste water discharge permit, the various storm water discharge permits, water withdrawal permit, spill prevention control and countermeasures plan, and alcohol fuel producer's permit, we will be unable to begin or continue operations.

Small Ethanol Producer Tax Credit

"Small Ethanol Producers" are allowed a 10-cents-per-gallon production income tax credit on up to 15 million gallons of production annually. The Energy Policy Act of 2005 (H.R. 6) changed the definition of a "small ethanol producer" from 30 million gallons per year to 60 million gallons per year to reflect the changing nature of the industry. Therefore, we believe we will qualify to receive the credit under current law, and will apply for said tax-credit once we are in production. Said legislation was introduced by U.S Congressman Steve King (R-IA) (H.R. 36). Congressman King represents the district in which Shenandoah is located. Specifically, producers producing up to 60 million gallons of ethanol per year became eligible to receive the credit. With the tax legislation enacted, we expect to receive the credit for our first 15 million gallons of annual production. We believe this credit will be beneficial to our profits and loss statements.

Environmental Compliance Costs

After construction of the Plant and after we obtain the initial regulatory approvals to operate the Plant, we do not expect that compliance with current applicable federal, state and local environmental regulations will have a material impact on our capital expenditures, earnings or competitive position. After the construction of the Plant is completed, we do not expect to make significant capital expenditures for environmental control facilities during the two fiscal years to follow, or thereafter for the foreseeable future. According to Fagen, Inc. representatives, approximately 6% to 8% of the projected costs to construct the plant will be spent on environmental control facilities. This

would equate to expenditures of approximately $3.4 to $4.5 million dollars. The estimates provided in this paragraph are subject to change based on amendments to existing rules or regulations or the adoption of new environmental rules or regulations that may affect the Plant or our operations.

Nuisance

Even if we receive all EPA and Iowa environmental permits for construction and operation of the Plant, we may be subject to the regulations on emissions by the Environmental Protection Agency. We could also be subject to environmental or nuisance claims from adjacent property owners or residents in the area arising from odors or other air or water discharges from the Plant, although we do not expect any such claims. To minimize the risk of such claims, we intend to employ a thermal oxidizer.

Acquisition of Superior Ethanol, LLC

On February 22, 2006, we acquired all of the outstanding ownership interest in Superior Ethanol, LLC. Superior has options to acquire at least 135 acres of property in Dickinson County, Iowa, has completed a feasibility study relating to the construction of an ethanol plant on this site, the site is zoned as "heavy industrial," the site has been awarded a property tax abatement from Dickinson County, Iowa, and Superior had more than $200,000 in cash at closing. In consideration for the acquisition of Superior as a wholly owned subsidiary of the Company, we issued of 100,000 shares of our restricted common stock to Brian Peterson, a director of the Company. Prior to the acquisition, substantially all of Superior was owned by Mr. Peterson.

Item 1A. Risk Factors

An investment in our securities involves substantial risks and the investment is suitable only for persons with the financial capability to make and hold long-term investments not readily converted into cash. Investors must, therefore, have adequate means of providing for their current and future needs and personal contingencies. Prospective purchasers of our securities should carefully consider the Risk Factors set forth below, as well as the other information appearing in this report, before making any investment in our securities. Investors should understand that there is a possibility that they could loose their entire investment in the Company.

Risks Related to the Common Stock

We plan to construct the Plant by means of substantial leverage of equity, resulting in substantial debt service requirements that could reduce the value of your investment.

We raised gross proceeds of $34,459,900 in our recent public offering. Upon completion of the Plant, we anticipate that our total term debt obligations will be approximately $47 million. As a result, our capital structure will be highly leveraged. Our debt load and service requirements could have important consequences which could reduce the value of your investment, including:

- Limiting our ability to borrow additional amounts for operating capital and other purposes or creating a situation in which such ability to borrow may be available on terms that are not favorable to us;

- Reducing funds available for operations and distributions because a substantial portion of our cash flow will be used to pay interest and principal on our debt;

- Making us vulnerable to increases in prevailing interest rates;

- Placing us at a competitive disadvantage because we may be substantially more leveraged than some of our competitors;

- Subjecting all, or substantially all of our assets to liens, which means that there will be virtually no assets left for stockholders in the event of a liquidation; and,

- Limiting our ability to adjust to changing market conditions, which could increase our vulnerability to a downturn in our business or general economic conditions.

In the event that we are unable to pay our debt service obligations, we could be forced to: (a) reduce or eliminate dividends to stockholders, if they were to commence or (b) reduce or eliminated needed capital expenditures. It is possible that we could be forced to sell assets, seek to obtain additional equity capital or refinance or restructure all or a portion of its debt. In the event that we are unable to refinance our indebtedness or raise funds through asset sales, sales of equity or otherwise, our business would be adversely affected and we may be forced to liquidate, and investors could lose their entire investment.

There is currently no established public trading market for our common stock and your investment may be illiquid for an indefinite amount of time.

We have applied for listing on the NASDAQ Small Cap market. Our application is under review. Although we have no reason to believe our application to NASDAQ will not be accepted, no assurance can be given that our stock will be accepted for listing or trading on the NASDAQ Small Cap market, on any exchange or in any other market. Therefore, no assurance can be given that an active, public trading market will ever develop.

Our lenders require us to abide by certain restrictive loan covenants that may hinder our ability to operate and reduce our profitability.

The loan agreements governing our secured debt financing contain a number of restrictive affirmative and negative covenants. These covenants limit our ability to, among other things:

- Incur additional indebtedness;

- Make capital expenditures in excess of prescribed thresholds;

- Pay dividends to stockholders;

- Make various investments;

- Create liens on our assets;

- Utilize the proceeds of asset sales; or,

- Merge or consolidate or dispose of all or substantially all of our assets.

We are also required to maintain specified financial ratios, including minimum cash flow coverage, minimum working capital and minimum net worth. Our lenders may utilize a portion of any excess cash flow generated by operations to prepay our term debt. A breach of any of these covenants or requirements could result in a default under our debt agreements. If we default, and if such default is not cured or waived, our lenders could, among other remedies, accelerate our debt and declare that such debt is immediately due and payable. If this occurs, we may not be able to repay such debt or borrow sufficient funds

to refinance. Even if new financing is available, it may not be on terms that are acceptable. Such an occurrence could cause us to cease building the Plant, or if the Plant is constructed, such an occurrence could cause us to cease operations. No assurance can be given that our future operating results will be sufficient to achieve compliance with such covenants and requirements, or in the event of a default, to remedy such default.

The common stock may be diluted in value and will be subject to further dilution in value.

We issued a total of 765,000 shares of common stock to our founders and to seed capital investors in a private offering. Initially, 550,000 shares of common stock were sold to our two founding stockholders at $0.25 per share. We then issued an additional 215,000 shares were sold to seed capital investors at a price of $2.50 per share. We then issued 3,445,990 shares of common stock at $10 per share, which included warrants exercisable for approximately 861,498 shares of common stock for aggregate consideration of approximately $25,844,940 in our public offering that closed in November 2005. Soon thereafter we issued an additional 5,000 shares to a director of our Company for services rendered, and an additional 5,000 shares were issued in January 2006, to the engineering firm that designed the rail layout for our plant for services rendered. If for any reason we are required in the future to raise additional equity capital, if options of any kind or additional shares were issued to our officers and directors, or to other members of our management or employees, our current shareholders may suffer further dilution to their investment. There is no assurance that further dilution will not occur in the future.

Risks Related to the Company

We have no operating history and our management has no material experience in the ethanol industry.

We were recently formed and have no history of operations. Our proposed operations are subject to all the risks inherent in the establishment of a new business enterprise. Other than our general manager, no one else in the Company's management has any material experience in the ethanol industry. There is no assurance that we will be successful in our efforts to build and operate the Plant. Even if we successfully meet all of these objectives and begin operations at the Plant, there is no assurance that we will be able to market the ethanol produced or operate the Plant profitably.

We may not be able to manage our start-up period effectively.

We anticipate a period of significant growth, involving the construction and start-up of operations of the Plant and the hiring of our employees. This period of growth and the start-up of the Plant are likely to be a substantial challenge to us. We have limited financial and human resources. We will need to implement operational, financial and management systems and to recruit, train, motivate and manage our employees. We operate in an area of low unemployment. Though we believe that we can manage start-up effectively and properly staff our operations, there is no assurance that this will occur, and any failure by us to manage our start-up effectively could have a material adverse effect on us, our financial condition, cash flows, results of operations and our ability to execute our business plan.

If our cash flow from operations is not sufficient to service our anticipated debts, then the business may fail and investors in our stock could lose their entire investment.

Our ability to repay our anticipated debt will depend on our financial and operating performance and on our ability to successfully implement our business strategy. We cannot assure anyone that we will be successful in implementing our strategy or in realizing our anticipated financial results. Our financial and operational performance depends on numerous factors including prevailing economic conditions and certain financial, business and other factors beyond our control. Our cash flows and capital resources may be insufficient to repay our anticipated debt obligations. If we cannot pay our debt service, we may be forced to reduce or delay capital expenditures, sell assets, restructure

our indebtedness or seek additional capital. If we are unable to restructure our indebtedness or raise funds through sales of assets, equity or otherwise, our ability to operate could be harmed and the value of our common stock could decline significantly.

The institutions lending funds to us are taking a security interest in our assets, including the property and the Plant. If we fail to make our debt financing payments, the lenders will have the right to repossess the secured assets, including the property and the Plant, in addition to other remedies. Such action would end our ability to continue operations. If we fail to make our financing payments and we cease operations, your rights as a holder of common stock are inferior to the rights of our creditors. We may not have sufficient assets to make any payments to you after we pay our creditors.

It is also our intention to attempt to build other plants at other locations, to expand at the sites on which we do build, and to aggressively pursue the acquisition of existing plants. If we are successful in accomplishing our goals, we may have to borrow even greater amounts of capital to fund said growth and/or issue additional shares of our stock. This could leverage us even further and cause greater dilution to our existing shareholders. If our cash flows were to diminish for any reason and we were not able to service our debt or raise additional equity through further sales of our shares, our lenders could call our debt and the value of our shares could decline substantially and purchasers of the shares of our Company could lose their entire investment.

A necessary part of our plan of operations is the receipt of significant debt funding, of which there can be no assurance.

We entered into loan arrangements whereby Farm Credit Services of America, FLCA and other participating lenders have agreed to loan us up to $47,000,000. The loan agreements contain representations, warranties, conditions precedent, affirmative covenants (including financial covenants) and negative covenants. There can be no assurance that we will be or continue to be in compliance with these representations, warranties, conditions precedent, affirmative covenants (including financial covenants) and negative covenants. In the event that we are in non-compliance, then the lenders may refuse or terminate the funding of the project in which case we would not have the funding to complete construction of the Plant or commence operations. Without such funding the value of our common stock would probably decrease substantially.

Our business success is dependent on unproven management.

Prior to hiring Allen Sievertsen, our general manager, no one in the management of our Company had any prior experience in the ethanol business. Allen oversaw the construction of the Husker Ag plant in Plainview, NE and acted as its general manager for approximately 4.5 years, prior to joining our Company. Although Mr. Sievertsen has overseen the construction of an ethanol plant before, and has successfully managed an extremely profitable Fagen built plant, we are still presently, and likely will continue to be, heavily dependent upon our current management, who, with the exception of Mr. Sievertsen, were also the founding stockholders. We presently have only 3 employees, and our founders and initial directors will therefore be instrumental to our success.

We currently have nine directors. Our two founding stockholders and initial directors live in Nevada and Utah. Since inception, seven other directors have been added to our board. Five of those directors live in Iowa, an eighth lives in Nevada, and the ninth in Utah. These individuals are experienced in business generally, and some have experience in raising capital, others in construction, as well as in governing and operating companies, but none of them have any experience in organizing, building and operating an ethanol plant. It is also possible that one or more of our founding stockholders and/or initial directors may later become unable to serve, and we may be unable to recruit and retain suitable replacements. Our dependence on our founding stockholders and initial directors may have a material adverse impact upon our operations, our cash flows and overall financial performance.

Our board of directors will have the exclusive right to make all decisions with respect to the management and operation of our business and our affairs. Investors will have no right to participate in the decisions of our board of directors or in the management of the Plant. Investors will only be permitted to vote in a limited number of circumstances. Accordingly, no person should purchase securities unless such person is willing to entrust all aspects of our management to the board of directors. We are presently managed by our board of directors. However, none of the directors have expertise in the ethanol industry. In addition, all members of our board of directors are presently engaged in business and other activities outside of and in addition to our business. These other activities all impose substantial demand on the time and attention of such directors.

We anticipate hiring a plant manager for the Plant with experience in the ethanol industry and a production plant similar to our proposed Plant. We also intend to hire a controller that has both experience as a controller of a public company and experience with an ethanol production plant. However, there is no assurance that we will be successful in attracting or retaining such individuals because of a limited number of individuals with expertise in the area and a competitive market with many new plants being constructed. Furthermore, we may have difficulty in attracting other competent personnel to relocate to Shenandoah, Iowa, in the event that such personnel are not available locally. Our failure to attract and retain such individuals would likely have a material adverse effect on our operations, cash flows and financial performance.

We have a history of losses and may never become profitable.

For the period from our formation on June 29, 2004 through November 30, 2005, we incurred an accumulated net loss of $447,749. We believe we will continue to incur significant losses from this time forward until we are able to successfully complete construction and commence operations of the Plant. There is no assurance that we will be successful in our efforts to build and operate an ethanol plant. Even if we successfully meet all of these objectives and begin operations at the ethanol plant, there is no assurance that we will be able to operate profitably.

We will be dependent on Fagen, Inc. for expertise in the commencement of operation in the ethanol industry and any loss of this relationship could result in diminished returns or the entire loss of any investment.

We are dependent on our relationship with Fagen, Inc., and its employees. Specifically, we are dependent upon the Fagen, Inc. employees Mr. Roland "Ron" Fagen, Inc. and Mr. Wayne Mitchell. Mr. Fagen, Inc. and Mr. Mitchell have considerable experience in the construction, start-up and operation of ethanol plants. Any loss of our relationship with Fagen, Inc., Mr. Fagen, or Mr. Mitchell, particularly during the construction and start-up period for the Plant, may have a material adverse impact on our operations, cash flows and financial performance.

Risks Related to Construction of the Plant

We will depend on key suppliers, whose failure to perform could hinder our ability to operate profitably and decrease the value of your investment.

We are highly dependent upon Fagen, Inc. to design and build the Plant under our Design-Build Agreement. There are general risks and potential delays associated with such a project, including, but not limited to, fire, weather, permitting issues, and delays in the provision of materials or labor to the construction site. Any significant delay in the planned completion date may have a material adverse effect on our operations, cash flows and financial performance.

It is believed that Fagen, Inc. has entered into agreements to build numerous other ethanol plants such as our proposed plant and to expand several other existing plants. There is a risk that Fagen has taken on so much work that

Fagen might not be able to perform in a timely manner. If this were to be the case, Fagen, Inc. may be forced to terminate some of its relationships with entities for whom Fagen, Inc. has contracted to build plants, or perhaps not be able to construct said plants within the timeframes promised. If Fagen were to terminate its relationship with us after construction was initiated, there is no assurance that we would be able to obtain a replacement general contractor. Fagen is one of the most respected builders of ethanol plants in the country and we anticipate that the Plant will be delivered as promised by Fagen. However, if Fagen were not able to deliver the Plant within the timetable promised, we could come into a situation of default with our lenders. Any such event would likely have a material adverse affect on our operations, cash flows and financial performance.

The Design-Build Agreement contains a liquidated damages or consequential damages provision. This would benefit us, but it could result in an early completion bonus clause for Fagen, Inc. Our payment of an early completion bonus could substantially reduce our net cash flows and financial performance during the periods of the payment of such bonus.

We will depend on Fagen, Inc. for timely completion of our plant and training of personnel, but Fagen, Inc.'s involvement in other projects could delay the commencement of our operations and further delay our ability to commence operations.

We believe Fagen, Inc. is negotiating and has undertaken with other parties to begin the construction of numerous other ethanol plants in 2006. If Fagen, Inc. has entered into other Design-Build contracts with liquidated damage or consequential damage clauses with other plants, there could be substantial risk to our project. For example, if Fagen, Inc. is under pressure to complete another project in order to avoid the operation of such a clause or is already operating under such a clause, Fagen, Inc. may prioritize the completion of these other plants ahead of our Plant. As a result, our ability to sell ethanol products would be delayed having a material adverse effect upon our operations, cash flows, and financial performance.

It is also believed that Fagen, Inc. has investments in other projects currently under construction, as well as others that are scheduled to be built, that are substantially greater than the investment Fagen has in our project. No assurance can be given that Fagen will not commit more of its time and resources to complete such projects more quickly than ours. As a result, our ability to sell ethanol and distillers grains would be delayed having a material adverse effect upon our operations, cash flows, and financial performance.

We are also highly dependent upon Fagen's experience and ability to train our personnel in operating the Plant. If the Plant is built and does not operate to the level anticipated by us in our business plan, we will rely on Fagen, Inc. to adequately address such deficiency. There is no assurance that Fagen, Inc. will be able to address such deficiency in an acceptable manner. Failure to do so could have a material adverse affect on our operations, cash flows and financial performance.

Construction delays could result in a delay in our commencement of operations and generation of revenue, if any.

We expect that, at the earliest, it will be April or May of 2007, before we begin operation of the Plant. However, it could be at late as August under the contract we have with Fagen. Construction projects often involve delays in obtaining permits, construction delays due to weather conditions, or other events that delay the construction schedule. In addition, changes in interest rates or the credit environment or changes in political administrations at the federal, state or local level that result in policy change towards ethanol or this project, could cause construction and operation delays. If it takes longer to obtain necessary permits or construct the Plant than we anticipate, it would delay our ability to generate revenues and make it difficult for us to meet our debt service obligations. This could reduce the value of our common stock and could negatively affect our ability to execute our plan of operation.

If there are defects in Plant construction it may negatively affect our ability to operate the Plant.

There is no assurance that defects in materials and/or workmanship in the Plant will not occur. Under the terms of the Design-Build Contract, Fagen, Inc. has warranted that the material and equipment furnished to build the Plant would be new, of good quality, and free from material defects in material or workmanship at the time of delivery. Though the Design-Build Contract requires Fagen, Inc. to correct all defects in material or workmanship for a period of one year after substantial completion of the Plant, material defects in material or workmanship may still occur. Such defects could cause us to delay the commencement of operations of the Plant, or, if such defects are discovered after operations have commenced, to halt or discontinue the Plant's operation. Any such event may have a material adverse effect on our operations, cash flows and financial performance.

Any delay or unanticipated cost in providing rail service infrastructure to the Plant could significantly impede our ability to successfully operate the Plant at a profit.

Rail service is not currently available in Shenandoah, Iowa. The site lies adjacent to the lines of the Burlington Northern Railroad (BNSF). However, as mentioned above, the spur on which the plant will be located has been closed by BNSF and needs to be upgraded to meet HAZMAT (Hazardous Materials) standards. Approximately 20 miles of the spur will need to be upgraded. The cost to upgrade the rail will be approximately $3.5 million. We have entered into an agreement with BNSF regarding these improvements, but there is not assurance that this work will be completed in a timely fashion. If the track is not upgraded and built in a timely fashion it could delay our ability to begin operations in the most profitable manner.

We will need to construct additional track from the main line and lay more track for railcar storage at the Plant and along a portion of the spur that we are going to purchase from BNSF that will be deemed "Industrial Track" that we will be responsible to upgrade at additional cost to the Company. In order to have rail service for the Plant, a rail siding to accommodate at least 35 rail cars of approximately 5,800 feet will need to be added to the site. The estimated cost of adding such rail is approximately $1,900,000. We intend to negotiate with a third party contractor that is experienced in rail construction to provide this rail at the Plant and to upgrade the portion of the spur that we will be purchasing from BNSF. There is no assurance that an acceptable agreement will be reached with such a third party to do this, or on acceptable terms. We believe we will be able to locate such a third party and reach an acceptable agreement. However, no assurance can be given that we will be successful in doing so and failure to locate and contract with such a third party would have a material adverse effect on us, our cash flows and financial performance.

Any material variations to the actual cost verses our cost estimates relating to the construction and operation of the Plant could materially and adversely affect our ability to operate the Plant profitably.

It is anticipated that Fagen, Inc. will construct the Plant for a fixed contract price, based on the plans and specifications in the anticipated Design-Build Contract. We have based our capital needs on a design for the Plant that will cost $55.81 million and additional start-up and development costs of $25.26 million for a total of $81.4 million. This price includes construction period interest, construction contingencies and approximately $7 million in working capital to purchase such things as corn, enzymes, denaturant, and natural gas at start up.

There is no assurance that the final cost of the Plant will not be higher. There is no assurance that there will not be design changes or cost overruns associated with the construction of the Plant. Any significant increase in the estimated construction cost of the Plant may have a material adverse effect on our operations, cash flows and financial performance.

We will acquire insurance that we believe to be adequate to prevent loss from foreseeable risks. However, events occur for which no insurance is available or for which insurance is not available on terms that are acceptable to us. Loss from such an event, such as, but not limited to, earthquake,

tornados, war, riot, terrorism or other risks, may not be insured and such a loss may have a material adverse effect on our operations, cash flows and financial performance.

Risks Related to Ethanol Production

Our ability to operate at a profit is largely dependent on grain prices and ethanol and distillers dried grains prices. Our results of operations and financial condition will be significantly affected by the cost and supply of grain and by the selling price for ethanol and DDGS. Price and supply are subject to and determined by market forces over which we have no control. We will be dependent on the availability and price of corn. Although the areas surrounding the Plant produce a significant amount of corn and we do not anticipate problems sourcing corn, there is no assurance that a shortage will not develop, particularly if there were an extended drought or other production problem. In addition, our financial projections assume that we can purchase grain for approximately $2.25 per bushel. The current straight, average price for corn in the Shenandoah area is much less, approximately $1.76 per bushel. Over the past ten years, the average price for corn has been approximately $2.185 per bushel in Iowa. However, there is no assurance that we will be able to purchase corn for any of these prices. Corn prices are primarily dependent on world feedstuffs supply and demand and on U.S. and global corn crop production. These factors can be volatile because of weather, stocks prices, export prices and the government's agricultural policy. The price of corn has fluctuated significantly in the past and may fluctuate significantly in the future.

We anticipate purchasing our corn from farmers in the area surrounding the Plant and in the cash market and hedging corn through futures contracts to reduce short-term exposure to price fluctuations. We intend to contract with third parties to manage our hedging activities and corn purchasing. However, we have no definitive agreements with any third party to do so at this time, nor do we have any contracts with any corn producers to provide corn to the Plant. We may also enter into supply agreements with local elevators for the origination, supply and delivery of corn to the Plant. There is no assurance that such agreements will be available or be on acceptable terms. Our purchasing and hedging activities may or may not lower our price of corn, and in a period of declining corn prices, these advance purchase and hedging strategies may result in our paying a higher price for corn than our competitors. Further, hedging for protection against the adverse changes in the price of corn may be unsuccessful, and could result in substantial losses to us. Generally, higher corn prices will produce lower profit margins. This is especially true if market conditions do not allow us to pass through increased corn costs to our customers. There is no assurance that we will be able to pass through higher corn prices. If a period of high corn prices were to be sustained for some time, such pricing may have a material adverse effect on our operations, cash flows and financial performance.

Our revenues will be dependent on the market prices for ethanol and DDGS. These prices can be volatile as a result of a number of factors. These factors include the overall supply and demand, the price of gasoline, level of government support, and the availability and price of competing products. For instance, the price of ethanol tends to increase as the price of gasoline increases, and the price of ethanol tends to decrease as the price of gasoline decreases. Any lowering of gasoline prices will likely also lead to lower prices for ethanol and adversely affect our operating results

Increased ethanol productions may negatively affect ethanol prices and materially reduce our ability to operation successfully.

We believe that ethanol production is expanding rapidly at this time. There are a number of new plants under construction or planned for construction, both inside and outside the States of Iowa and Nebraska. We further expect existing ethanol plants to expand by increasing production.

We cannot provide any assurance or guarantee that there will be any material or significant increases in the demand for ethanol. Increased production of ethanol may lead to lower prices. The increased production of ethanol could have other adverse effects as well. For example, the increased production could lead to increased supplies of co-products from the production of ethanol, such as DDGS. Those increased supplies could lead to lower prices for those co-products. Also, the increased production of ethanol could result in increased demand for corn. This could result in higher prices for corn and corn production creating lower profits. There can be no assurance as to the price of ethanol or DDGS in the future. Any material adverse change affecting the price of ethanol and/or DDGS may have a material adverse effect on our operations, cash flows and financial performance.

We expect to compete with existing and future ethanol plants and oil companies, which may result in diminished returns on your investment.

We will operate in a very competitive environment. We will compete with large, multi-product companies that have much greater resources than we anticipate having, and plants with a capacity greater than, equal to or less than our Plant. We will face competition for capital, labor, management, corn and other resources. Many of our competitors have greater resources than we currently have or will have in the future.

We anticipate that as additional ethanol plants are constructed and brought on line, the supply of ethanol will increase. The absence of increased demand may result in prices for ethanol to decrease. There is no assurance that we will be able to compete successfully or that such competition will not have a material adverse effect on our operations, cash flows and financial performance.

We will also compete with producers of other gasoline additives having similar octane and oxygenate values as ethanol. An example of such other additives is MTBE, a petrochemical derived from methanol. MTBE costs less to produce than ethanol. Many major oil companies produce MTBE and because it is petroleum-based, its use is strongly supported by major oil companies. Alternative fuels, gasoline oxygenates and alternative ethanol production methods are also continually under development. The major oil companies have significantly greater resources than we have to market MTBE, to develop alternative products, and to influence legislation and public perception of MTBE and ethanol. Despite this fact, the use of MTBE may become legally restricted as a pollutant in several, and possibly, most, if not all states. California has already banned the use of MTBE as have New York and Connecticut. However, California has asked for a waiver of federal standards requiring oxygenates in reformulated gasoline in the past. This means that rather than using ethanol as an alternative oxygenate to MTBE, California sought to be released from federal requirements to use any oxygenates at all. If such requests were ever granted, whether limited to or expanded beyond California, the demand for ethanol would not increase and could diminish. Furthermore, the United States petroleum industry is pursuing a repeal of all federal oxygenated fuel requirements. These companies also have sufficient resources to begin production of ethanol should they choose to do so. Competition from these companies may have a material adverse effect on our operations, cash flows and financial performance.

We are dependent on others third-party brokers or other to sell our product which may result in diminished returns.

We currently have no sales force of our own to market ethanol and DDGS and do not intend to establish such a sales force. We intend to sell all of our ethanol to a third-party broker pursuant to an output contract and intend to contract with a third-party broker to market and sell our DDGS feed products. As a result, we will be dependent on the ethanol broker and the feed broker. There is no assurance that we will be able to enter into contracts with any ethanol broker or feed product broker on acceptable terms. If the ethanol broker breaches the contract or does not have the ability (for financial or other reasons) to purchase all of the ethanol we produce, we will not have any readily available means to sell our ethanol. Our lack of a sales force and reliance on third parties to sell and market our products may place us at a competitive

disadvantage. Our failure to sell all of our ethanol and DDGS feed products may have a material adverse effect on our operations, cash flows and financial performance.

Engaging in hedging activities to minimize the potential volatility of corn prices could result in substantial costs and expenses.

In an attempt to minimize the effects of the volatility of corn costs on operating profits, we will likely take hedging positions in corn futures markets and in the natural gas markets. Hedging means protecting the price at which we buy corn and the price at which we will sell our products in the future. It is a way to attempt to reduce the risk caused by price fluctuation. The effectiveness of such hedging activities is dependent upon, among other things, the cost of corn and natural gas and our ability to sell sufficient amounts of ethanol and DDGS. Although we will attempt to link hedging activities to sales plans and pricing activities, such hedging activities can themselves result in costs because price movements in corn contracts and natural gas are highly volatile and are influenced by many factors that are beyond our control.

Our ability to successfully operate is dependent on the availability of energy and water at anticipated prices.

The Plant will require a significant and uninterrupted supply of electricity, natural gas and water to operate. We plan to enter into agreements with local gas, electric, and water utilities to provide our needed energy and water. There can be no assurance that those utilities will be able to reliably supply the gas, electricity, and water that we need.

If there is an interruption in the supply of energy or water for any reason, such as supply, delivery or mechanical problems, we may be required to halt production. If production is halted for an extended period of time, it may have a material adverse effect on our operations, cash flows and financial performance.

Originally, a new gas pipeline of approximately 9 miles was going to be built to run to the Plant site. Mid American Energy was going to build this line for us at an estimated cost of approximately $3,510,000. We would be required to put up approximately $1.5 million of that cost. Since that time, US Energy Services, who has been hired as our energy consultant, and Mid American Energy have discussed this issue and have decided that sufficient gas can be supplied to the Plant simply by upgrading an existing line running from Red Oak to Shenandoah. The cost to do this will be significantly less. Therefore, we will not have to pay any of the $1.5 million dollars we had originally thought we were going to have to pay. However, no assurance can be given at this time that the pipeline can be upgraded in a timely manner. If it were not completed by the time the Plant was ready to commence operations, we could come into a state of default with our lenders, and we would not be able to commence operations in a timely manner, which would have an extremely negative effect on our cash flows and financial performance. Further, even if the pipeline were to be completed on time, at the present time we have no contracts, commitments or understandings with any natural gas supplier to supply gas to the plant. We have entered into an agreement with U.S. Energy Services, Inc. of Wayzata, Minnesota to negotiate and purchase natural gas for the plant from third party providers of natural gas for up to six months after the Plant becomes operational. However, there can be no assurance given at this time that we or U.S. Energy Services will be able to obtain a sufficient supply of natural gas or that we will be able to procure alternative sources of natural gas on acceptable terms, even with the assistance of U.S. Energy Services. In addition, natural gas prices have historically fluctuated. Presently, prices are significantly higher than the historical average price - approximately $9.16 mcf. Higher natural gas prices may have a material adverse effect on our operations, cash flows and financial performance. Therefore, we urge investors to carefully consider the significant risks involved concerning the potential of higher natural gas prices in the future in making a decision about investing in our securities.

We will also need to purchase significant amounts of electricity to operate the proposed Plant. We have negotiated an agreement with Mid American Energy to supply electricity to the Plant in Shenandoah for a period of five years.. We believe that our agreement with Mid American will be beneficial to the Company. However, no assurance can be given that we will be able to negotiate such favorable rates after the five year period is over. Electricity prices have historically fluctuated significantly. Sustained increases in the price of electricity would increase our cost of production. As a result, these issues may have a material adverse effect on our operations, cash flows and financial performance.

Sufficient availability and quality of water are important requirements to produce ethanol. We anticipate that our water requirements to be approximately 400 to 600 gallons per minute, depending on the quality of the water. The town of Shenandoah has sufficient capacities of water to meet our needs and we have negotiated a contract with the city to supply water to the Plant at a price that we believe will be favorable to our operations. However, no assurance can be given that a prolonged drought could not diminish the water supplies in the areas of the proposed Plant, especially if we were to build the Plant in Shenandoah, or that we would continue to have sufficient water supplies in the future. Shenandoah is in the southwestern part of the State of Iowa and has a history of water shortages. Historically, this area of the State has experienced periods of drought. We are exploring the possibility of drilling wells in the area of the proposed site in Shenandoah to use as back up for the Plant. However, no assurance can be given at this time that we will be able to drill wells at the site or in another location near the site. The inability to drill such wells, and the possibility of drought, may have a material adverse effect on our operations, cash flows and financial performance and could even cause us to cease production for periods of time.

Risk of foreign competition from producers who can produce ethanol at less expensive prices than it can be produced from corn in the United States.

According to information obtained from the website of the Iowa Farm Bureau, at this time, there are large international companies that have much greater resources than we have, including Cargill, developing foreign ethanol production capacity. Cargill is currently developing ethanol production capacity in El Salvador to process Brazilian ethanol for export to the U.S. Long-standing U.S. trade preferences for Caribbean and Central American countries allow them to ship ethanol to the U.S. duty-free, avoiding a 54 cent per gallon import tariff that would otherwise apply. 61 million gallons of ethanol were brought into the U.S. through the Caribbean in 2003 to avoid said tariff, most of it reprocessed Brazilian ethanol. Brazil is the world's largest ethanol producer. They make ethanol primarily from sugarcane for about half of what it costs to make ethanol from corn in Iowa. Brazil exported another 10 million gallons of ethanol directly to the U.S. in 2003, even with the full import tariff and could export even more this year. If significant additional foreign capacity is created, such facilities could produce a glut of ethanol on the world markets. Such a glut could lower the price of ethanol throughout the world, including the U.S. If this were to happen, it could have an adverse effect our operations and potential profitability.

Further, if the import duty on foreign ethanol were to ever be lifted for any reason, our ability to compete with such foreign companies would be drastically reduced. Although, at this time, such risks cannot be precisely quantified, we believe that such risks exist, and could increase in the future, and anyone contemplating a purchase of the securities being offered herewith should be aware of them and consider them in making their investment decision.

Risks Related to Regulation and Governmental Action

The loss of favorable tax benefits for ethanol production could hinder our ability to successfully operate.

Congress currently provides federal tax incentives for oxygenated fuel producers and marketers. Ethanol blended with gasoline is one of the oxygenated fuels that qualify for federal tax incentives. These tax incentives allow a lower federal excise tax rate for gasoline blended with at least 10%, 7.7%, or 5.7% ethanol. Additionally, income tax credits are available for blenders of ethanol mixtures and small ethanol producers. Gasoline marketers pay a reduced tax on gasoline sold that contains ethanol. The current credit for gasoline

blended with 10% ethanol is 5.4(cent) per gallon. The subsidy dropped to 5.1(cent) per gallon in 2005. Currently, a gasoline marketer that sells gas without ethanol must pay a federal tax of 18.4(cent) per gallon compared to 13(cent) per gallon for gas with 10% ethanol. The tax on gasoline blended with 10% ethanol gradually increased to 13.3(cent) per gallon in 2005. Smaller credits are available for gasoline blended with 7.7 percent and 5.7 percent ethanol. The ethanol industry and our business are dependent upon the continuation of the federal ethanol credit. This credit has supported a market for ethanol that may disappear without the credit.

The federal tax incentives were scheduled to expire on September 30, 2007, but have recently been replaced by legislation which has extended those incentives to the year 2010. These tax incentives to the ethanol industry may not continue beyond their scheduled expiration date or, if they continue, the incentives may not be at the same level. The revocation or amendment of any one or more of those laws, regulations or programs could adversely affect the future use of ethanol in a material way. We cannot assure you that any of those laws, regulations or programs will continue. The elimination or reduction of federal tax incentives to the ethanol industry would have a material adverse impact on our business by making it more costly or difficult for us to produce and sell ethanol. If the federal ethanol tax incentives are eliminated or sharply curtailed, we believe that a decreased demand for ethanol will result.

A change in environmental regulations or violations thereof could impede our ability to successfully operate the Plant.

We will be subject to extensive air, water and other environmental regulation and we will need to obtain a number of environmental permits to construct and operate the Plant. In addition, it is likely that our senior debt financing will be contingent on our ability to obtain the various environmental permits that we will require. Assuming we build the Plant in Iowa, the Iowa Department of Natural Resources ("IDNR") may also require us to conduct an environmental assessment prior to considering any permits.

Ethanol production involves the emission of various airborne pollutants, including particulate (PM10), carbon monoxide (CO), oxides of nitrogen (N0x) and volatile organic compounds. As a result, we will need to obtain an air quality permit from the IDNR. We have applied for this permit and expect that we will be granted the permit prior to the time that construction is anticipated to commence . We have also applied to the IDNR for a storm-water discharge permit, a water withdrawal permit, public water supply permit, and a water discharge permit. We anticipate obtaining these permits before the times that they will be needed during the construction process. We do not anticipate a problem receiving all required environmental permits. However, if for any reason any of these permits are not granted, construction costs for the Plant may increase, or the Plant may not be constructed at all. In addition, the IDNR could impose conditions or other restrictions in the permits that are detrimental to us or which increase costs to us above those assumed in this project. Any such event would likely have a material adverse impact on our operations, cash flows and financial performance.

Even if we receive all required permits from the IDNR, we may also be subject to regulations on emissions from the Environmental Protection Agency ("EPA"). Currently the EPA's statutes and rules do not require us to obtain separate EPA approval in connection with construction and operation of the proposed Plant. Additionally, environmental laws and regulations, both at the federal and state level, are subject to change and changes can be made retroactively. Consequently, even if we have the proper permits at the present time, we may be required to invest or spend considerable resources to comply with future environmental regulations. If any of these events were to occur, they may have a material adverse impact on our operations, cash flows and financial performance.

Our inability to obtain required regulatory permits and/or approvals will impede our ability and may prohibit completely our ability to successfully operate the Plant.

We also intend to apply for and receive from the IDNR a storm-water discharge permit, a water withdrawal permit, public water supply permit, and possibly a waste water discharge permit, but at this time we do not believe we will be required to apply for the later permit if we build the Plant in Shenandoah. The majority of these permits have now been applied for, and we anticipate that we will be able to successfully obtain all of the necessary permits prior to the commencement of construction. We do not anticipate a problem receiving all required environmental permits. However, if for any reason any of these permits are not granted, construction costs for the plant may increase, or the plant may not be constructed at all. In addition, the IDNR could impose conditions or other restrictions in the permits that are detrimental to us or which increase costs to us above those assumed in this project. The IDNR and the EPA could also change their interpretation of applicable permit requirements or the testing protocols and methods necessary to obtain a permit either before, during or after the permitting process. The IDNR and the EPA could also modify the requirements for obtaining a permit. Any such event would likely have a material adverse impact on our operations, cash flows and financial performance.

Even if we receive all required permits from the IDNR, we may also be subject to regulations on emissions from the United States Environmental Protection Agency, "EPA". Currently the EPA's statutes and rules do not require us to obtain separate EPA approval in connection with construction and operation of the proposed Plant. Additionally, environmental laws and regulations, both at the federal and state level, are subject to change and changes can be made retroactively. Consequently, even if we have the proper permits at the present time, we may be required to invest or spend considerable resources to comply with future environmental regulations or new or modified interpretations of those regulations, to the detriment of our financial performance.

Federal government laws that require the use of oxygenated gasoline encourage ethanol production and use. Ethanol contains 35% oxygen by weight. When combined with gasoline, ethanol acts as an oxygenate. As a result, the gasoline burns cleaner, and releases less carbon monoxide and other exhaust emissions into the atmosphere. The federal government encourages the use of oxygenated gasoline as a measure to protect the environment. Oxygenated gasoline is commonly referred to as reformulated gasoline or "RFG."

The government's regulation of the environment changes constantly. It is possible that more stringent federal or state environmental rules or regulations could be adopted, which could increase our operating costs and expenses. It also is possible that federal or state environmental rules or regulations could be adopted that could have an adverse effect on the use of ethanol. For example, changes in the environmental regulations regarding the required oxygen content of automobile emissions could have an adverse effect on the ethanol industry. Furthermore, Plant operations likely will be governed by the Occupational Safety and Health Administration (OSHA). OSHA regulations may change such that the costs of the operation of the Plant may increase. Any of these regulatory factors may result in higher costs or other materially adverse conditions effecting our operations, cash flows and financial performance.

Risks Related to Conflicts of Interest

We have conflicts of interest with Fagen, Inc. which could result in loss of capital and reduced financial performance.

As discussed above, we expect that our directors will be advised by one or more employees or associates of Fagen, Inc. Fagen, Inc. is expected to continue to be involved in substantially all material aspects of our formation and operations. Consequently, the terms and conditions of our agreements and understandings with Fagen have not been negotiated at arm's length. Therefore, there is no assurance that our arrangements with such parties are as favorable to us as could have been if obtained from unaffiliated third parties. In addition, because of the extensive role that Fagen, Inc. is expected to have in the construction and operation of the Plant, it may be difficult or impossible

for us to enforce claims that we may have against Fagen, Inc. If this were to occur, it may have a material adverse impact on our operations, cash flows and financial performance.

Fagen, Inc. and its affiliates may also have conflicts of interest because employees or agents of Fagen, Inc. are involved as owners, creditors and in other capacities with other ethanol plants in the United States. We cannot require Fagen, Inc. to devote its full time or attention to our activities. As a result, Fagen, Inc. may have or come to have a conflict of interest in allocating personnel, materials and other resources to our Plant.

Though we will attempt to address actual or potential material conflicts of interest as they arise or become known, we have not established any formal procedures to address or resolve conflicts of interest. There is no assurance that any conflict of interest will not have adverse consequences to our operations, cash flows and financial performance.

Unidentified Risks

The foregoing discussion is not a complete list or explanation of the risks involved with an investment in this business. Additional risks will likely be experienced that are not presently foreseen by us. Investors are not to construe this report as constituting legal or tax advice. Before making any decision to invest in us, investors should read this entire report, including all of its exhibits, and consult with their own investment, legal, tax and other professional advisors.

An investor should be aware that we will assert that the investor consented to the risks and the conflicts of interest described or inherent in this report if the investor brings a claim against us or any of our directors, officers, managers, employee, advisors, agents or representatives.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

We currently own approximately 95.91 acres of land in Shenandoah, Iowa and approximately 12.2 additional acres is being deeded over to us by SCIA (Shenandoah Chamber and Industry Association). We also own an option on another property in Atlantic, Iowa and our wholly owned subsidiary, Superior Ethanol, LLC, owns options on property in Dickinson County, Iowa. We currently own no ethanol plants. We believe that the property we own or have an option to acquire in Shenandoah will be adequate to meet the needs of current and expected growth in Shenandoah. We may, however, to acquire additional sites for additional ethanol plants.

Item 3. Legal Proceedings

None

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Currently, there is no public trading market for our securities and there can be no assurance that any market will develop. We have applied for listing on the NASDAQ Small Cap Market and our application is currently under review. However, no assurance can be given that our stock will be accepted for listing or trading on the NASDAQ Small Cap Market, on any exchange or in any other market. There can be no assurance that an active, public trading market will ever develop. If a market does develop for our securities, it may be limited, sporadic and highly volatile.

Shares Available for Future Sale

As of the date of this report, there are 4,220,990 shares of our common stock issued and outstanding. Affiliates of the Company own 623,000 shares. See Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. The shares held by non-affiliates of the Company are freely tradable if a market for the securities exists, and the shares held by affiliates could be sold subject to the volume limitations of Rule 144, described below. Sales of shares of stock in the public markets may have an adverse effect on prevailing market prices for the common stock.

We also have outstanding warrants that are exercisable for 461,498 shares of common stock at an exercise price of $30 per share. The warrants were sold in our public offering and the common stock issuable upon exercise of the warrants may also be sold by non-affiliates without restriction if a market develops.

Rule 144 governs resale of "restricted securities" for the account of any person, other than an issuer, and restricted and unrestricted securities for the account of an "affiliate" of the issuer. Restricted securities generally include any securities acquired directly or indirectly from an issuer or its affiliates which were not issued or sold in connection with a public offering registered under the Securities Act. An affiliate of the issuer is any person who directly or indirectly controls, is controlled by, or is under common control with the issuer. Affiliates of a company may include its directors, executive officers, and person directly or indirectly owning 10% or more of the outstanding common stock. Under Rule 144 unregistered re-sales of restricted common stock cannot be made until it has been held for one year from the later of its acquisition from the issuer or an affiliate of the issuer. Thereafter, shares of common stock may be resold without registration subject to Rule 144's volume limitation, aggregation, broker transaction, notice filing requirements, and requirements concerning publicly available information about the company ("Applicable Requirements"). Re-sales by the issuer's affiliates of restricted and unrestricted securities are subject to the Applicable Requirements. The volume limitations provide that a person (or persons who must aggregate their sales) cannot, within any three-month period, sell more than the greater of one percent of the then outstanding shares, or the average weekly reported trading volume during the four calendar weeks preceding each such sale. A non-affiliate may resell restricted common stock which has been held for two years free of the Applicable Requirements.

Dividend Policy

To date, we have not paid dividends on our common stock. The payment of dividends on the common stock in the future, if any, is within the discretion of the board of directors and will depend upon our earnings, capital requirements, financial condition and other factors the board views are relevant. The board does not intend to declare any dividends in the foreseeable future, but instead intends to retain all earnings, if any, for use in our operations.

We have also entered into a Master Loan Agreement and related agreements with lenders who will loan us up to $47,000,000 to build the Plant and to provide funding for working capital purposes. The loan agreements contain representations, warranties, conditions precedent, affirmative covenants (including financial covenants) and negative covenants. One of these covenants requires that dividends or other distributions to stockholders be limited to 40% of the profit net of income taxes for such each fiscal year and may be paid only where we are expected to remain in compliance with all loan covenants, terms and conditions. Furthermore, with respect to the fiscal years ending in 2008 and thereafter, an additional distribution may be made to stockholders in excess of the 40% limit for such fiscal year if we have made certain additional payments to the lender, and we will thereafter remain in compliance with all loan covenants, terms and conditions on a pro forma basis net of said potential additional payment.

Holders of Record

As of the date of this report, there were 783 holders of record of our common stock.

Issuance of Securities

On December 9, 2006, we issued 5,000 shares of restricted common stock to Gary Thien for services rendered to the Company. Mr. Thien is currently a Director of the Company and its vice president. He is, therefore, deemed a sophisticated, accredited investor. Mr. Thien located the site in Shenandoah and has spent a significant amount of his time working on the Company's behalf from the later part of 2004 to the present. The shares were issued to Mr. Thien by the Board for work Mr. Thien has done for and on behalf of the Company. The sale of these shares of common stock was exempt from registration pursuant to Rules 504, 505 and 506 of Regulation D and Sections 4(2) and 4(6) of the Securities Act of 1933, as amended. We did not use an underwriter or pay any commissions in connection with this transaction.

In January 2006, we issued 5,000 shares of restricted common stock to Antioch International, Inc., an accredited and sophisticated investor, in lieu of $50,000 (fifty thousand dollars) in fees that were owed to Antioch for designing the rail layout that we will need to build at the Plant in Shenandoah, which will allow us to effectively transport our ethanol and distillers grains. The sale of these shares of common stock was exempt from registration pursuant to Rules 504, 505 and 506 of Regulation D and Sections 4(2) and 4(6) of the Securities Act of 1933, as amended. We did not use an underwriter or pay any commissions in connection with this transaction.

On February 22, 2006, we issued 100,000 shares of common stock to Brian Peterson in consideration for the acquisition of Superior Ethanol, LLC. Mr. Peterson is a director of the Company. The sale of these shares of common stock was exempt from registration pursuant to Rules 504, 505 and 506 of Regulation D and Sections 4(2) and 4(6) of the Securities Act of 1933, as amended. We did not use an underwriter or pay any commissions in connection with this transaction.

Use of Proceeds

The Securities and Exchange Commission declared our registration statement on Form S-1 (SEC Registration No. 333-121321) effective on March 9, 2005. We commenced our initial public offering shortly thereafter. Our initial public offering was for the sale of up to 3,800,000 shares of our common stock at $10.00 per share. Each share purchased included a warrant to purchase 1/4 of an additional share of common stock from the Company at a purchase price of $30.00 per share. The offering ranged from a minimum aggregate offering amount of $29,667,000 to a maximum aggregate offering amount of $38,000,000. Our registered offering and escrow agreement required that we raise the $29,667,000 in proceeds by November 29, 2005 and secure a letter of commitment for debt financing by November 29, 2005, both of which we accomplished in a timely manner.

On November 15, 2005, we closed the offering prior to the sale of the maximum number of registered shares. The net proceeds to the Company from our offering were approximately $34,532,408. This is the amount of money raised in

the offering, ($34,459,900), less $11,619 that was paid to the escrow agent for their services, less $17,476 in federal and state filing fees, less $227,563 in commissions (7%) paid to Smith Hayes Financial Services for the money raised by them in the offering, plus $329,166 that was earned as interest while the money was held in escrow. The majority of the shares were sold by the directors of the Company without the assistance of an underwriter. The following is a breakdown of shares registered and shares sold in the offering:

Number of Shares Registered for Sale	Aggregate Price of Shares Offered	Shares Sold	Aggregate Price of Shares Sold
3,800	$38,000,000	3,445,990	$34,459,900

On November 15, 2005 the funds from our offering were released to us from escrow. The following table describes our use of net offering proceeds through February 15, 2005:

Railroad	$ 3,500,000
Real Property Acquisition	$ 681,461
Debt Financing Fees	$ 354,650
Miscellaneous Costs	$ 225,889
Total	$ 4,762,000

All of the foregoing payments were direct or indirect payments to persons or entities other than our directors, officers, or unit holders owning 10% or more of our shares.

Item 6. Selected Financial Data

The following selected historical financial data of is only a summary and you should read it in conjunction with our consolidated financial statements and the notes to those financial statements.

	November 30, 2005 (Audited)	June 29, 2004 (Date of Inception) to November 30, 2004 (Audited)
Statement of Operations Data:		
Revenues	$ 0	$ 0
Operating Expenses	729,546	50,305
Loss from Operations	(792,546)	(50,305)
Interest Income	331,792	310
Net Loss	(397,754)	(49,995)
Loss Per Common Share	(.42)	(.08)
Balance Sheet Data:		
Current assets	$ 33,862,636	$ 629,093
Total assets	34,649,482	629,093
Current liabilities	170,701	5,800
Total liabilities	170,701	5,800
Stockholder's equity	34,478,781	623,293

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of our condensed results of operations and financial condition. The discussion contains forward-looking statements that involve risks and uncertainties. Actual events

or results may differ materially from those indicated in such forward-looking statements. The discussion should be read in conjunction with the financial statements included herewith and notes thereto and the risk factors contained therein.

Overview

We are a start-up company in development stage which was formed for the purpose of building a plant to produce ethanol and animal feed products in southwestern Iowa. We do not expect to operate at a profit before the ethanol plant is completely constructed and operational.

For the fiscal year ended November 30, 2005, we incurred a net loss of $397,754. We have incurred an accumulated loss of $447,749 from inception (June 29, 2004) through November 30, 2005. Our operating expenses were $729,546 for the year ended November 30, 2005. These expenses related primarily to our fund raising activities, general and administrative costs, consulting costs, costs associated with various permits needed to build the Plant, and payments made to Fagen Engineering for the Phase I and II Pre-engineering work.

We believe we will incur significant losses from this time forward until we are able complete construction of our proposed Plant in Shenandoah and commence operations. We also have options to acquire property in Atlantic, Iowa and Dickinson County, Iowa, where we considering constructing two additional ethanol plants. There is no assurance that we will be successful in our efforts to build and operate an ethanol plant in Shenandoah or elsewhere. Even if we successfully meet all of these objectives and begin operations of an ethanol plant, there is no assurance that we will be able to operate profitably.

We raised gross proceeds of $34,459,900 in our initial public offering that closed in November 2005. We expect that the Shenandoah project will cost approximately $81.4 million. We raised approximately $637,500 in seed capital prior to commencing our public offering. We entered into loan arrangements whereby Farm Credit Services of America, FLCA and other participating lenders have agreed to loan us up to $47,000,000 to use for construction costs and working capital. Therefore, we have the necessary funding to commence construction of the Shenandoah plant.

Representatives from Fagen Inc., our contractor, have informed the Company that a 50 million gallon per year plant will consume on an annual basis approximately 18 million bushels of locally grown corn and annually produce approximately 50 million gallons of fuel-grade, denatured ethanol, and approximately 160,000 tons of DDGS on a dry basis. We plan to hire independent brokers to sell our ethanol and DDGS. This Plant will be located in Shenandoah, Iowa, an area where we believe there are over 200 hundred thousand cattle on feeder lots within a 50 mile radius of the Plant. We believe we can sell a portion of our distillers grains in a wet form because of this, which will save us a significant amount of money because we will not have to dry the grain before selling it.

Additionally, in discussions with representatives from Fagen, Inc. we have been informed that our plant will produce approximately 148 thousand tons of carbon dioxide that may be recovered on an annual basis. While we intend to have discussions with several companies regarding construction of a facility to capture raw carbon dioxide prior to completion of the Plant, we presently have no agreement with any third party to capture or market the raw carbon dioxide, and the market may be too saturated in Iowa to recover the carbon dioxide profitably. We therefore may choose to vent off the C0(2) and may have no market for it of any kind.

The Plant lies adjacent to the lines of the BNSF Railway Company (BNSF). However, the spur (the "SPUR") on which the plant will be located is currently closed and needs to be upgraded to meet HAZMAT (Hazardous Materials) standards. Approximately 20 miles of the spur will need to be upgraded. On January 26, 2006, we entered into an Allowance Contract (the "Allowance Agreement") with BNSF to renovate and maintain approximately 20 miles of track on the SPUR.

In the Allowance Agreement, we have undertaken to fund an estimated $3.5 million for the SPUR renovation. Said amount was paid by GPRE to BNSF on the day the Allowance Agreement was entered into. The renovation work is to be

done by BNSF, and BNSF will own, operate and maintain the SPUR, as long as GPRE meets certain annual volume thresholds (cars placed on the rail) as outlined in the Allowance Agreement. We are entitled to receive refund payments from BNSF to reimburse us for this expense, but only to the extent that our usage of the line meets the annual volume thresholds. There can be no assurance that our usage will meet the annual volume thresholds or that we will be reimbursed for all or any part of the renovation costs. In the future, if there is any additional, major, renovation needed to be done to the SPUR, it shall be GPRE's responsibility to pay for any such additional, major, renovation. The Allowance Agreement is for a term expiring on September 14, 2015.

We intend to enter into an agreement with RPMG of Belle Plaine, MN to sell our ethanol production. We also anticipate that we will have an agreement with an experienced marketer to sell our animal feed products. We will be hiring staff to handle the direct operation of the plant, and currently expect to employ approximately 34 people. We do not intend to hire a sales staff to market our products. Third-party marketing agents will coordinate all shipping.

The following table describes our proposed use of proceeds, based upon our current cash reserves and loan arrangements. The total use of proceeds is estimated to be $81,389,800. The actual use of funds is based upon contingencies, such as the estimated cost of plant construction, the regulatory permits required and the cost of debt financing and inventory costs, which are driven by the market. Therefore, the following figures are intended to be estimates only and the actual use of funds may vary significantly from the descriptions given below depending on the contingencies described above. However, we anticipate that any variation in our use of proceeds will occur in the level of proceeds attributable to a particular use (as set forth below) rather than a change from one of the uses set forth below to a use not identified in this report.

Projected Uses and Sources of Funds

	Estimated Use of Proceeds
Estimated Sources:	
Share Proceeds	$ 34,549,884
Zero Interest Loan and Grant from State of Iowa	400,000
Seed Capital	637,500
Term Debt Financing	47,000,000
Total Estimated Sources of Funds	$ 82,587,384
Estimated Uses of Funds:	
Plant Construction and Misc. Costs	$ 59,926,300
Estimated Site Costs	4,295,000
Estimated Railroad Costs	5,600,000
Estimated Fire Protection/Water Supply Costs	2,216,000
Estimated Rolling Stock Costs	240,000
Estimated Financing Costs and Capitalized Interest	1,402,500
Estimated Pre-Production Period Costs	710,000
Estimated Inventory & Working Capital Costs	8,827,584
Total Estimated Use of Funds	$ 82,587,384

The City of Shenandoah awarded us a 15 year property tax abatement that we would be able to receive if the city annexed the plant site into the City of Shenandoah boundaries. We asked for voluntary annexation into the City limits and were annexed into the City on February 15, 2006. It is anticipated that this will result in significant long-term savings.

Plan for the Next 24 Months of Operations

We expect to spend the next 24 months in the design-development and construction of the plant, and thereafter commence production of ethanol and distillers grains at the plant. We expect to have sufficient cash on hand to cover all costs associated with construction of the project, including but not limited to, utilities, construction, equipment acquisition and site development. In addition, we expect to have enough cash to cover our costs through this period, including staffing, office costs, audit, legal, compliance and staff training. We estimate that we will need approximately $81,389,800 to complete the project.

The tables above describing the estimated sources of funds and various costs associated with the project also describe operations for the next 24 months. These tables are only estimates and actual expenses could be higher or lower due to a variety of factors described in the section of our Annual Report entitled "Risk Factors".

Condition of Records

We recently hired an experienced general manager who will oversee Plant construction. In addition to our general manager, we currently have office staff comprised of our president, and an office worker that assists our general manager in our Shenandoah office. We have also engaged an accountant that has a great deal of experience working with public companies, on a part time basis, to help us keep our books and records, with the assistance of our general manager and our president. We intend to hire and train additional staff well before the start of the plant operations, and we have included an expense allocation for this in our budget. However, there can be no assurance that we will be able to retain qualified individuals. It is possible that accounting or other financing functions may not be performed on time, if at all.

Operating Expenses

We will have operating expenses, such as salaries, for our president/CEO, general manager and other office staff as they are hired. We commenced paying a salary to our CEO on January 1, 2006 for his full time work on the project. Along with operating expenses, we anticipate that we will have significant expenses related to financing and interest. We have allocated funds in our capital structure for these expenses. However, there can be no assurance that the funds allocated are sufficient to cover the expenses. We may need additional funding to cover these costs if sufficient funds are not retained up-front or if costs are higher than expected.

Results of Operations

We are a development stage company. We had no revenues in 2004 or 2005. Our expenses in both years are the result of our efforts to identify a viable site for an ethanol plant, to organize our company and to obtain the financing to build the plant. We have engaged various consultants to assist us in these efforts. These consultants included accountants, attorneys and experts in finance and bio fuels. We incurred $626,751 in such fees in 2005 compared to $46,511 in 2004. We also expended $105,110 in advertising fees in these efforts. We also spent $102,455 in printing and mailing costs in 2005 compared to $-0- in 2004. After raising our initial capital we were able to invest the funds in various interest bearing instruments. We offset our expenses with $331,792 and $310 of interest income in 2005 and 2004, respectively.

Liquidity and Capital Resources

At November 30, 2005 we had $5,794,936 in cash and equivalents and $28,064,700 in securities in the form of short-term US Government backed securities. We anticipate that our working capital requirements for the next twenty-four months will be as described above.

In furtherance of our business plan, on February 6, 2006, we entered into a Master Loan Agreement, Construction and Term Loan Supplement, Construction and Revolving Term Loan Supplement, Security Agreement and Real Estate Mortgage with Farm Credit Services of America, FLCA (individually and collectively, the "Loan Agreements"). A participating interest under the Loan Documents was transferred to CoBank, ACB. Under the Loan Agreements, the lenders will loan up to $47,000,000. The loan proceeds are to partially finance construction of the Plant and to provide funding for working capital purposes. The Plant is to be in production by no later than May 1, 2007 and construction costs are not to exceed an aggregate of $71,000,000, net of refundable sales taxes.

Loan Commitments and Repayment Terms

The loan is comprised of a $30,000,000 amortizing term loan and a $17,000,000 revolving term facility.

- Term Loan - This loan is available for advances until July 1, 2007. Principal payments are to commence with $1,200,000 due November 20, 2007, and each quarter thereafter with a final maturity on November 20, 2013 at the latest. In addition, for fiscal years ending in 2007 and thereafter, we are also required to make a special payment equal to 65% of the available (if any) free cash flow from operations, not to exceed $2,000,000 per year, and provided, however, that if such payments would result in a covenant default under the Loan Agreements, the amount of the payments shall be reduced to an amount which would not result in a covenant default. The free cash flow payments are discontinued when the aggregate total received from such payments exceeds $8,000,000.

- Revolving Term - This loan is available for advances throughout the life of the commitment. This loan requires semi-annual $2,400,000 payments on/step-downs of the commitment to commence on the first day of the month beginning approximately six months after repayment of the term loan, by May 1, 2014 at the latest with a final maturity no later than November 1, 2017.

Availability of Advances, Interest Rates and Fees

Advances are subject to satisfaction of specified lending conditions. Advances correlate to budget and construction timeline projections, with verification of progress by a third-party engineer. The loans will bear interest at the rate of LIBOR plus 3.35%. We paid a loan origination fee in the amount of $352,500, there is an annual administration fee in the amount of $25,000, beginning November 1, 2007, and there is an unused commitment fee equal to 1/2% of the unused revolving term. Appraisal, inspecting engineer, and title company insurance and disbursing fees are also at the Company's expense.

Security

As security for the loan, the lenders received a first-position lien on all personal property and real estate owned by us, including an assignment of all contracts and rights pertinent to construction and on-going operation of the Plant.

Representations, Warranties and Covenants

The Loan Agreements contain representations, warranties, conditions precedent, affirmative covenants (including financial covenants) and negative covenants. One of these covenants requires that dividends or other distributions to stockholders be limited to 40% of the profit net of income taxes for each fiscal year and may be paid only where we are expected to remain in compliance with all loan covenants, terms and conditions. Furthermore, with respect to the fiscal years ending in 2008 and thereafter, an additional distribution may be made to stockholders in excess of the 40% limit for such fiscal year if we have made the required free cash flow payment for/based on such fiscal year, and will thereafter remain in compliance with all loan covenants, terms and conditions on a pro forma basis net of said potential additional payment. There can be no assurance that we can remain in compliance with all loan covenants.

Contractual Obligations

Our contractual obligations as of November 30, 2005 were as follows:

		Payments Due by Period			
Contractual Obligations	Total	Less Than 1 Year	1-3 Years	3-5 Years	Thereafter
Long-Term Debt Obligations	0				
Capital Lease Obligations	0				
Operating Lease Obligations	0				
Purchase Obligations	0				
Other Long-Term Liabilities	0				
Total	0				

Critical Accounting Policies

The Company applies SFAS No. 123 Accounting for Stock-Based Compensation for all compensation related to stock, options or warrants. SFAS 123 requires the recognition of compensation cost using a fair value based method whereby compensation costs is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued using the market price of the stock on the date of the related agreement.

The Company granted no warrants or options for compensation for the period ended November 30, 2005.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations or liquidity.

Recent Accounting Pronouncements

The Company has not adopted any new accounting policies that would have a material impact on the Company's financial condition, changes in financial conditions or results of operations.

Grant and Government Programs

We have been awarded a $300,000 zero interest loan and a $100,000 forgivable loan (grant) from the state of Iowa. These funds became available to us once we closed on our financing. We have asked for the release of these funds after closing on our financing and anticipate their receipt in the near future.

We believe that we are eligible for and anticipate applying for other state and federal grant, loan and forgivable loan programs. Most grants that may be awarded to us are considered paid-in capital for tax purposes and are not taxable income. Although we may apply under several programs simultaneously and may be awarded grants or other benefits from more than one program, it must be noted that some combinations of programs are mutually exclusive. Under some state and federal programs, awards are not made to applicants in cases where construction on the project has started prior to the award date. There is no guarantee that applications will result in awards of grants or loans. With the exception of the $300,000 zero interest loan and the $100,000 forgivable loan (grant) described above,, we are not depending on the award of any such grants as part of our funding of the Project. However, we may be eligible to receive such grants. If we do, the amount of money we will have to borrow may be reduced by that amount. There can be no assurance that we will receive any funding under any federal or state funding initiative.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are a start-up company in development stage, which was formed for the purpose of building a plant to produce ethanol and animal feed products in southwestern Iowa, and anticipate locating other sites and building other plants in other parts of Iowa or other states within the corn-belt. However, we are not presently conducting operations and are not presently subject to market risks. If and when we begin Plant operations, we will be exposed to the impact of market fluctuations associated with commodity prices and interest rates as discussed below. We do not expect to have exposure to foreign currency risk as all of its business is expected to be conducted in U.S. dollars.

Commodity Price Risk

We expect to produce ethanol and its co-product, distiller's dried grains with solubles (DDGS), from corn, and our business will be sensitive to changes in the price of corn. The price of corn is subject to fluctuations due to unpredictable factors such as weather, total corn planted and harvested acreage, changes in national and global supply and demand, and government programs and policies. We also expect to use natural gas in the ethanol and DDGS production process, and our business will be sensitive to changes in the price of natural gas. The price of natural gas is influenced by such weather factors as extreme heat or cold in the summer and winter, in addition to the threat of hurricanes in the spring, summer and fall. Other natural gas price factors include the U.S. domestic onshore and offshore rig count and the amount of U.S. natural gas in underground storage during both the injection and withdrawal seasons.

We anticipate that we will attempt to reduce the market risk associated with fluctuations in the price of corn and natural gas by employing a variety of risk management strategies. Strategies include the use of derivative financial instruments such as futures and options initiated on the Chicago Board of Trade and/or the New York Mercantile Exchange, as well as the daily cash management of our total corn and natural gas ownership relative to monthly demand for each commodity, which may incorporate the use of forward cash contracts or basis contracts.

We may hedge corn with derivative instruments including futures and options contracts offered through the Chicago Board of Trade. Forward cash corn and basis contracts may also be utilized to minimize future price risk. Similarly, natural gas is hedged with futures and options contracts offered through the New York Mercantile Exchange. Basis contracts may also be utilized to minimize future price risk.

Gains and losses on futures and options contracts used as economic hedges of corn inventory, as well as on forward cash corn and basis contracts, are recognized as a component of cost of revenues for financial reporting on a monthly basis using month-end settlement prices for corn futures on the Chicago Board of Trade. Corn inventories are marked to fair value using market based prices so that gains or losses on the derivative contracts, as well as forward cash corn and basis contracts are offset by gains or losses on inventories during the same accounting period.

Gains and losses on futures and options contracts used as economic hedges of natural gas, as well as basis contracts, are recognized as a component of cost of revenues for financial reporting on a monthly basis using month-end settlement prices for natural gas futures on the New York Mercantile Exchange. The natural gas inventories hedged with these derivatives or basis contracts are valued at the spot price of natural gas, plus or minus the gain or loss on the futures or options positions relative to the month-end settlement price on the New York Mercantile Exchange.

While our hedging activities may have a material effect on future operating results or liquidity in a specific quarter of its fiscal year, particularly prior to harvest, management does not believe that such activities will have a material, long-term effect on future operating results or liquidity.

Item 8. Financial Statements and Supplementary Data

See index to consolidated financial statements beginning on page F-1 of this report, and financial statements for the year ended November 30, 2005 referenced therein, which are hereby incorporated by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

The Company has evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures as of November 30, 2005, pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in internal controls or in other factors that could significantly effect internal controls subsequent to the date of our most recent evaluation.

Item 9B. Other Information

On February 22, 2006, we acquired all of the outstanding ownership interest in Superior Ethanol, LLC. Superior has options to acquire at least 135 acres of property in Dickinson County, Iowa, has completed a feasibility study relating to the construction of an ethanol plant on this site, the site is zoned as "heavy industrial," the site has been awarded a property tax abatement from Dickinson County, Iowa, and Superior had more than $200,000 in cash at closing. In consideration for the acquisition of Superior as a wholly owned subsidiary of the Company, we issued 100,000 shares of our restricted common stock to Brian Peterson, a director of the Company. Prior to the acquisition, substantially all of Superior was owned by Mr. Peterson.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PART III

Item 10. Directors and Executive Officers of the Registrant

Set forth below is certain information concerning each of our directors and executive officers as of February 15, 2006.

Name	Age	Position	With the Company Since
Barry Ellsworth	52	President/CEO/Chairman	2004
Dan Christensen	59	Treasurer/Secretary/Director	2004
Gary Thien	53	Vice President/Director	2004
David A. Hart (1)(2)(3)	52	Director	2004
Steven Nicholson (1)(2)(3)	79	Director	2004
Robert D. Vavra (1)	55	Director	2004
Brent Lorimor (1)	39	Director	2004
Hersch Patton (2)(3)	60	Director	2004
Brian Peterson (2)(3)	42	Director	2005
Allen H. Sievertsen	57	General Manager	2006

- ---------------

(1) Member of Audit Committee.
(2) Member of Compensation Committee.
(3) Member of Nominating Committee.

Our board is divided into three classes. One class of directors is elected at each annual meeting of stockholders for a three-year term. Each year a different class of directors is elected on a rotating basis. The terms of Gary Thien, David Hart, and Brent Lorimor were set to expire at the 2005 annual meeting of stockholders. The terms of Dan Christensen, Steve Nicholson, and Robert Vavra expire at the 2006 annual meeting of stockholders. The terms of Barry Ellsworth, Hersch Patton and Brian Peterson expire at the 2007 annual meeting of stockholders. Because we did not hold a shareholders meeting in 2005, due to the shortness of the fiscal year, the terms of both groups one and two are set to expire at our next shareholders meeting. At that meeting, board members for both classes of directors will be voted on by the shareholders of the Company. The number of directors currently comprising the board of directors is nine. The bylaws authorize from one to nine directors, the exact number of which may be determined by resolution of the board. The Company has chosen to reduce the number of board members to eight effective at the Company's next annual meeting. However, it may change that number at any time at its discretion.

Business Experience of Management

The following is a brief description of the business experience and background of the above-named officers and directors of our Company.

BARRY A. ELLSWORTH, resides in Las Vegas, Nevada. He assumed his present positions with the Company as CEO/president and as a director on June 29, 2004, upon the formation of the Company and is responsible for the day to day operations of the Company. Mr. Ellsworth graduated from Brigham Young University in 1977, with a BA in Communications. He later attended Cal Western School of Law in San Diego, CA. For more than a five year period immediately prior to join the Company, Mr. Ellsworth has acted as the Managing Director of Red Rock Investment Partners, a financial consulting firm. Earlier, he owned the financial consulting firm of Ellsworth and Associates. Prior to that, he gained experience in finance working as a stockbroker at the firms of Prudential-Bache Securities, Wilson-Davis Securities, and Dean Witter Reynolds. He has been instrumental in taking companies public and has raised capital for various concerns.

DAN E. CHRISTENSEN, resides in Salt Lake City, Utah. He assumed his present positions with the Company as Treasurer, Secretary and as a director on June 29, 2004, upon the formation of the Company. Mr. Christensen graduated from Brigham Young University with a Bachelor's Degree in Business in 1969 and received a Management Administration Degree from the California Savings and Loan Institute in 1973. He has acted as the CEO of Commercial Mortgage and Investment, LLC, (CMI), with offices in South Jordan, Utah and San Francisco, California, since 1981. CMI provides mortgage banking services for selected real estate projects, nationwide, including real estate development projects for his own account. Mr. Christensen has procured over 3 billion dollars in financing for numerous real estate development projects over the years, including many of his own projects.

GARY THIEN, resides in Council Bluffs, Iowa. Mr. Thien has acted as the Company's Vice president and has been a director of the Company from 2004 to the present. Gary graduated from Iowa State University in Ames, Iowa in 1974, with a Bachelor of Science Degree in Agricultural Business. For the past 10 years, Mr. Thien has owned and operated Thien Farm Management, located in Council Bluffs, Iowa, which manages approximately 20 thousand acres of farm land in Southwest Iowa. He is also a real estate broker and has expertise in commodity marketing, insurance and risk management, budgeting, cash flow analysis, etc. Mr. Thien is also president of the American Society of Farm Managers and Rural Appraisers.

DAVID A. HART, resides in rural Stanton, Iowa. Dave attended Iowa Western Community College in Council Bluffs, Iowa, where he studied Farm Operations and Management. He began farming in 1973. For more than the past five years, Mr. Hart and his wife Cathy have operated Hart Farms in a 20 mile area around Stanton. This diversified operation includes: Grain Production, Cattle Feeding and Backgrounding, Cow/Calf Production, Custom Farming, Grain Hauling, Custom Spraying, and Seed Sales. Hart Farms plants and harvests approximately 3,000 acres of corn and soybeans. This operation also includes approximately 1,500 acres of hay and pasture. Mr. Hart has served on numerous church and community boards. He is a member of Stanton Fire and Rescue, having served 8 years as Fire Chief. As a Certified Emergency Medical Technician, Dave also serves on the Montgomery County 911 board. Other memberships include the National Cattlemen's Association, Corn and Soybean Associations, and the Farm Bureau.

R. STEVEN NICHOLSON, resides in Las Vegas, Nevada. Mr. Nicholson served in the US Navy during WWII from 1942-1946. He graduated with an AB in History and Philosophy in 1950 from Wesleyan University. He received an MA in Cultural Anthropology from Syracuse University in 1956 and received a PhD. in the Sociology of Large Scale Organizations/Japanese and Chinese Cultures from Michigan State University in 1971. From 1956-1962 Mr. Nicholson was Director of World Vision Japan. From 1963-1971 he served as the Academic Dean, Lansing Community College-Michigan; 1971-1973 president, Daily College-Chicago; 1973-1976 president, Southern Nevada Community College, Las Vegas; 1976-1985 president, Mount Hood Community College-Oregon; 1985-1990 president, Oakland Community College-Michigan; 1990-1992 Chancellor, Higher Colleges of Technology Abu Dhabi, United Arab Emirates;1992-1994 Christian College Coalition - Oregon; 1994-1999 Senior Fellow for Higher Education-Murdock Charitable Trust Vancouver, Washington. Mr. Nicholson has served on various other boards throughout the years, including Mercy Corps International (International Relief and Development); Pontiac, Michigan Manpower Development Authority; American Association of Community Colleges, Washington, DC; and the World Affairs Council - - Japan/America Society. From January 1999 to the present, Mr. Nicholson has not been employed, but has managed his own investments. Mr. Nicholson has also held the following positions since January 1999: January 1999 to August 2000--Chairman of Mercy Corps International; July 2003 to 2004--member of the Mercy Corps audit committee; March 1998 to March 2003--member of the board of directors of Northwest Autism Foundation; and January 1999 to August 2001--Chairman and CEO of Northwest Autism Foundation.

ROBERT D. VAVRA, resides in Shenandoah, Iowa. Mr. Vavra is the Chairman of our Audit Committee. Robert graduated from Black Hills State University in Spearfish, South Dakota in 1972 with Bachelor of Science Degrees in Math and History and graduated from the Graduate School of Banking in Boulder, Colorado

in 1991. Robert has been president and Director of Bank Iowa, since 1996. He has worked for the same bank since 1986 in the role of a loan officer and Executive vice president. Mr. Vavra has served on a number of community boards, over the years, which include the Shenandoah Optimist Club, Shenandoah Memorial Hospital and the Essex Commercial Club. Currently he serves on the Forest Park Manor Board of directors and serves as a member of the Banking Committee for the Shenandoah Chamber and Industry Association, Board of Directors.

BRENT LORIMOR, of rural Farragut, Iowa, was elected to serve as a director of Green Plains Renewable Energy in November of 2004. Brent graduated from Northwest Missouri State University in 1988 and taught vocational agriculture in southeast Iowa for three years before returning home to farm. Since 1992, Mr. Lorimor has been involved in the family farm operation with his brother and mother. Lorimor Farming Corporation consists of 2500 acres of corn and soybeans in Fremont, Page, and Montgomery counties. In addition to the crops, Lorimor Farming Corporation feeds out over 2000 head of cattle annually. Brent is the 5th generation to farm land in the area dating back to 1856. Mr. Lorimor is a member of the Iowa and National Cattlemen's Association, Corn & Soybean Grower's Association, as well as St. Mary's church in Shenandoah, Iowa.

HERSCHEL C. PATTON II, resides in Salt Lake City, Utah and was elected to the Board of Directors of Green Pains Renewable Energy, Inc. in November of 2004. Hersch attended the University of Nevada/Reno and graduated from flight school in 1970. Hersch was a senior captain and pilot for both Western and Delta Airlines beginning in 1975 until retirement in June 2004. During his tenure as a captain for Delta, Mr. Patton was involved in the ownership and development of various successful commercial and residential real estate ventures including the acquisition and sale of the Jeremy Ranch Golf and Country Club and the Cottonwood Creek Retail Center. Hersch remains active in real estate and various other investments.

BRIAN D. PETERSON, resides in Lawton, Iowa. Mr. Peterson is the Chairman of our Nominating and Compensation Committees. He graduated from Dordt College in Sioux Center, Iowa in 1986 with a Bachelor of Science Degree in Agricultural Business. He started farming in 1978 at the age of fourteen. For more that the past five years he has been principally employed by his grain farm. His grain farm now consists of seven thousand eight hundred row crop acres of corn and soybeans in Woodbury, Monona, and Sac counties in northwest Iowa. Mr. Peterson owns and operates a beef feedlot with a capacity of twelve thousand head in Woodbury County, Iowa. He owns a local grain elevator, a trucking business, and a construction business. He has worked as a bank inspector and internal bank auditor. He has been married for eighteen years. He is involved in various other renewable energy investments.

ALLEN H. SIEVERTSEN, now resides in Shenandoah, Iowa and became our general manager in February 2006. Mr. Sievertsen has substantial experience in the ethanol industry. From August 2001 through December 2005, Mr. Sievertsen was employed as the general manager/construction manager over an ethanol plant owned by Husker AG, LLC in Plainview, Nebraska. From June 2000 to August 2001, Mr. Sievertsen was a supervisor at Eaton Corp. where he directed the integration of a new line of pumps into the Eaton Hydraulics Plant in Spencer, Iowa. He has a B.S. in general science (chemistry emphasis) from the University of Iowa.

Our executive officers are elected by the board on an annual basis and serve at the discretion of the board.

The Company has adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and other senior financial officers. Our Code of Ethics is posted on the Company's Web site, which is located at www.gpreethanol.com.

Board Committees

We have a standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act, a Compensation Committee and a Nominating Committee.

The Audit Committee

The Company's Audit Committee held two meetings during the fiscal year ending on November 30, 2005. The function of the Audit Committee as detailed in the Audit Committee Charter is to provide assistance to the Board in fulfilling their responsibility to the stockholders, potential stockholders, and investment community relating to corporate accounting, reporting practices of the Company and the quality and integrity of the financial reports of the Company. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the independent auditors and Company management. The Company believes that the members of the Audit Committee are independent as defined by Rule 4200(a) of NASD's listing standards. The members of the Audit Committee are Messrs. David A. Hart, Steven Nicholson, Robert D. Vavra, and Brent Lorimor. Mr. Vavra serves as our Chairman and financial expert on that committee.

The Compensation Committee

The Compensation Committee was organized in November, 2005, near the end of our November 30, 2005 fiscal year end. As a result, the committee held no meetings during our last fiscal year. The Compensation Committee establishes a general compensation policy for the Company and, except as prohibited by applicable law, may take any and all actions that the Board could take relating to the compensation of employees, directors and other parties. The members of the Compensation Committee are Messrs. David A. Hart, Steven Nicholson, Hersch Patton, and Brian Peterson. Mr. Peterson is Chairman of our Compensation Committee.

The Nominating Committee

The Nominating Committee was organized in November, 2005, near the end of our November 30, 2005 fiscal year end. As a result, the committee held no meetings during our last fiscal year. The Nominating Committee's Charter and Policies are available on the Company's website, which is located at www.gpreethanol.com. The Company believes that the members of the Nominating Committee are independent as defined by Rule 4200(a) of NASD's listing standards. The members of the Nominating Committee are Messrs. David A. Hart, Steven Nicholson, Hersch Patton, and Brian Peterson. Mr. Peterson is Chairman of our Nominating Committee.

The function of the Nominating Committee, as detailed in the Nominating Committee's Charter, is to recommend to the Board the slate of director nominees for election to the Board and to identify and recommend candidates to fill vacancies occurring between annual stockholder meetings. It is the policy of the Nominating Committee to consider candidates recommended by security holders, directors, officers and other sources, including, but not limited to, third-party search firms. Security holders of the Company may submit recommendations for candidates for the Board. All recommendations shall be submitted to Brian Peterson at: Address: 1739 Charles Avenue, Lawton, Iowa, 51030; Phone: 712.944.4937; Email: branpete@netins.net. Such submissions should include the name, contact information, a brief description of the candidate's business experience and such other information as the person submitting the recommendation believes is relevant to the evaluation of the candidate. Mr. Peterson will then pass all such recommendations on to the Nominating Committee for consideration. For candidates to be considered for election at the next annual meeting stockholders, the recommendation must be received by the Company no later than 120 calendar days prior to the date that the Company's proxy statement is released to security holders in connection with such meeting.

The Nominating Committee has held meetings since our fiscal year end and has established certain broad qualifications in order to consider a proposed candidate for election to the Board. The Nominating Committee has a strong

preference for candidates with prior board of director experience with public companies. The Nominating Committee will also consider such other factors as it deems appropriate to assist in developing a board and committees that are diverse in nature and comprised of experienced and seasoned advisors. These factors include judgment, skill, diversity (including factors such as race, gender or experience), integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

The Nominating Committee will evaluate whether an incumbent director should be nominated for re-election to the Board or any committee of the Board upon expiration of such director's term using the same factors as described above for other Board candidates and the committee will also take into account the incumbent director's performance as a Board member. Failure of any incumbent director to attend at least seventy-five percent (75%) of the Board meetings held in any calendar year will be viewed negatively by the Nominating Committee in evaluating the performance of such director.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our executive officers, directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such persons.

We did not become subject to these Section 16(a) requirements until December 2005. As a result, our executive officers, directors and more than 10% stockholders were not required to comply with these provisions during our fiscal year ending November 30, 2005.

Item 11. Executive Compensation

During the fiscal year ended November 30, 2005, none of the Company's officers worked for the Company on a full time basis, although Mr. Ellsworth, the Company's president, has spent the majority of his time on the project from March 2004 through the end of the 2005 fiscal year. None of the officers have received any salary, wage or other compensation for services through November 30, 2005, with the exception of Mr. Ellsworth who received stock for services. When the Company was originally incorporated, Mr. Ellsworth paid a total of $87,500 for the 350,000 shares that were issued to him. In consideration for these shares, Mr. Ellsworth paid the Company $50,000 in cash, and the remaining $37,500 was paid to the Company in consideration for services rendered by Mr. Ellsworth for and on behalf of the Company. No arrangements had been made with respect to future compensation and no employment agreements existed with any officer of the Company as of November 30, 2005. However, since that time, a compensation agreement has been reached with Mr. Ellsworth, our CEO and President. The Company commenced paying Mr. Ellsworth a salary on January 1, 2006, as described below. There are presently no ongoing pension or other plans or arrangements pursuant to which remuneration is proposed to be paid in the future to any of the officers and directors of the Company. We do reimburse our officers and directors for out of pocket expenses incurred in connection with their service to the Company. It is expected that that additional employment agreements and compensation packages will be negotiated in the future.

On December 9, 2005, the Company issued 5,000 shares of our common stock to Mr. Gary Thien for compensation for his services to the Company over the past two years. Mr. Thien is vice president and a Director of the Company.

In February 2006, we hired Allen H. Sievertsen as our general manager for the Plant. Mr. Sievertsen is working for us on an "at will" basis. His annual salary is $150,000. He is also entitled to (i) a $50,000 bonus when the Plant first begins producing ethanol, (ii) such other bonuses and compensation as the our board of directors may award, (iii) reimbursement of moving expenses,

(iv) severance if Mr. Sievertsen's employment is terminated for any reason, other than for cause, for a period of two months if Mr. Sievertsen was employed by us for less than two years and for six months if he was employed by us for more than two years, and (iv) other insurance, vacation, and retirement plan benefits

In January 2006, we entered into an employment agreement with Mr. Barry Ellsworth, our CEO/president, who is now working for us on a full time basis. Mr. Ellsworth is being paid a salary of $120,000 per year. Additionally, the Company has agreed to reimburse Mr. Ellsworth for his health insurance premiums, which are approximately $350.00 per month. .The Board at its discretion may increase or decrease said compensation in the future.

We intend to recruit and hire permanent employees who will be compensated on a regular basis pursuant to agreed upon salaries once the Plant is completed. We expect to offer typical health and other employee benefits.

Director Compensation

No cash fees or other consideration were paid to our directors for service on the board from inception through November 30, 2005. The Company, upon the recommendation of the Compensation Committee, recently agreed to compensate its directors in nominal amounts for attendance at board meetings and for time spent working for and on behalf of the Company. Each director is to be paid $150 for attendance at a board meeting held via telephonic conference and $300 per meeting where travel is involved and a board meeting is held in one location at which all board members (or a majority of our board members) are present. If a board member spends an entire day working for and on behalf of the Company, said board member will be eligible to receive $300 for that day's work. Our board members are to be compensated in a like manner for meetings and work performed by them in relation to the various committees of the Company. The Company also reimburses our board members for any out of pocket expenses. After the Plant in Shenandoah is operational, and/or after the Company is creating revenues of some kind, it is anticipated that the Company will adopt a reasonable compensation package for the board members.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of February 12, 2006, for: (i) each person who is known by us to beneficially own more than five percent of our common stock, (ii) each of our directors, (iii) each of our named executive officers, and (iv) all directors and executive officers as a group. On February 12, 2006 the Company had 4,220,990 shares of common stock outstanding. Each share is entitled to one vote.

Name and Address of Beneficial Owner(1)	Shares Beneficially Owned(2)	Percentage of Total	Position
Barry Ellsworth	334,400	7.9%	President/CEO/Chairman
Dan Christensen	200,000	4.7%	Treasurer/Secretary/Director
Gary Thien (3)	19,250	*	Vice President/Director
David A. Hart (4)	19,250	*	Director
Steven Nicholson (5)	87,500	2.3%	Director
Robert D. Vavra (6)	22,000	*	Director
Brent Lorimor	5,000	*	

Name and Address of Beneficial Owner(1)	Shares Beneficially Owned(2)	Percentage of Total	Position
			Director
Hersch Patton (7)	51,250	1.2%	
			Director
Brian Peterson (8)	100,000	2.4%	
			General Manager
Allen H. Sievertsen	0	*	
Executive Officers and Directors as a Group (10 persons)	838,650	18.5%	
Wayne Hoovestol (9) 2883 Paradise Rd. #1801 Las Vegas, Nevada	394,500	9.2%	

* Less than 1%.

(1) Except where otherwise indicated, the address of the beneficial owner is deemed to be the same address as the company.
(2) Beneficial ownership is determined in accordance with SEC rules and generally includes holding voting and investment power with respect to the securities. Shares of common stock subject to options or warrants currently exercisable, or exercisable within 60 days, are deemed outstanding for computing the percentage of the total number of shares beneficially owned by the designated person, but are not deemed outstanding for computing the percentage for any other person.
(3) Includes 17,000 shares and warrants exercisable for 2,250 shares.
(4) Includes 17,000 shares and warrants exercisable for 2,250 shares.
(5) Includes 76,000 shares and warrants exercisable for 11,500 shares.
(6) Includes 16,800 shares and warrants exercisable for 2,700 shares. Also includes 2,000 shares and warrants exercisable for 500 shares that Mr. Vavra owns jointly with daughters.
(7) Includes 45,000 shares and warrants exercisable for 6,250 shares.
(8) Includes 65,000 shares and warrants exercisable for 16,250 shares. Also includes 15,000 shares and warrants exercisable for 3,750 shares that Mr. Peterson owns jointly with a child.
(9) Includes 285,600 shares and warrants exercisable for 71,400 shares owned directly by Mr. Hoovestol. Also includes 30,000 shares and warrants exercisable for 7,500 shares owned by Mr. Hoovestol's wife and therefore deemed to be beneficially owned by Mr. Hoovestol.

We have no securities authorized for issuance under equity compensation plans.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serve on our Compensation Committee or in a like capacity in any other entity.

Changes in Control

Management is not aware of any arrangement the operation of which may at a subsequent date result in a change in control of Green Plains.

Item 13. Certain Relationships and Related Transactions

Since our inception, we have engaged in transactions with related parties.

Sale and Issuance of Common Stock; Promoters

On July 1, 2004, 550,000 shares of common stock were issued to our two initial directors and founders for cash payments to the Company. Barry A. Ellsworth contributed $87,500 to the Company at that time and was issued 350,000 shares of common stock. Mr. Ellsworth paid the purchase price with $50,000 in cash and $37,500 was paid in consideration for services rendered by Mr. Ellsworth, for and on behalf of the Company. Dan E. Christensen contributed $50,000 to the Company and was issued 200,000 shares of common stock. The average purchase price for these shares was $0.25 per share.

Messrs. Ellsworth and Christensen were the founders of the Company and may be considered to be promoters. Other than the stock purchases described in the prior paragraph, the salary now being paid to Mr. Ellsworth, and possible future compensatory arrangements as described in "Management," these gentlemen have not received and are not entitled to receive any assets, services or other consideration from Green Plains. These gentlemen may receive, however, dividends on their common stock at the same rate and on the same terms as every other stockholder of Green Plains.

On August 26, 2004, Steve Nicholson, a director of the Company, and his wife purchased 28,000 shares of common stock for $70,000.

Fagen, Inc.

Ron Fagen of Fagen, Inc. purchased 100,000 shares in our public offering through Hawkeye Companies, LLC. We entered into a Lump-Sum Design Build Contract with Fagen, Inc. The Construction Agreement is dated January 13, 2006, but it was not executed by the parties until January 22, 2006. Under the Construction Agreement, Fagen, Inc. will provide all work and services in connection with the engineering, design, procurement, construction startup, performances tests, training for the operation and maintenance of the Plant and provide all material, equipment, tools and labor necessary to complete the Plant in accordance with the terms of the Construction Agreement. As consideration for the services to be performed, Fagen, Inc. will be paid $55,881,454, subject to adjustments contained in the Construction Agreement.

Superior Ethanol, LLC

On February 22, 2006, we acquired all of the outstanding ownership interest in Superior Ethanol, LLC. Superior has options to acquire approximately 135 acres of property in Dickinson County, Iowa, has completed a feasibility study relating to the construction of an ethanol plant on this site, the site is zoned as "heavy industrial," the site has been awarded a property tax abatement from Dickinson County, Iowa, and Superior had more than $200,000 in cash at closing. In consideration for the acquisition of Superior as a wholly owned subsidiary of the Company, we issued 100,000 shares of our restricted common stock to Brian Peterson, a director of the Company. Prior to the acquisition, substantially all of Superior was owned by Mr. Peterson.

Item 14. Principal Accountant Fees and Services

Audit Fees

The aggregate fees billed for professional services rendered by our principal accountant for the audit of our financial statements, review of financial statements included in our quarterly reports and other fees that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years ended November 30, 2005 and 2004 were $11,500 and $3,500, respectively. With respect to the 2004 figure, we were organized in June 2004 and we were not required to file reports under the Securities Exchange Act of 1934 until 2005.

Audit Related Fees

The aggregate fees billed for assurance and related services by our principal accountant that are reasonably related to the performance of the audit or review of our financial statements, other than those previously reported in this Item 14, for the fiscal years ended November 30, 2005 and 2004 were $0.00 and $0.00, respectively.

Tax Fees

The aggregate fees billed for professional services rendered by our principal accountant for tax compliance, tax advice and tax planning for the fiscal years ended November 30, 2005 and 2004 were $0.00 and $1,000, respectively.

All Other Fees

The aggregate fees billed for products and services provided by the principal accountant, other than those previously reported in this Item 14, for the fiscal years ended November 30, 2005 and 2004 were $2,950 and $0.00, respectively.

Audit Committee

Our audit committee is comprised of four independent directors. It is the Company's policy that the Audit Committee pre-approves all audit, tax and related services. All of the services described above in this Item 14 were approved in advance by our Audit Committee. No items were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following exhibits and financial statements are filed as part of, or are incorporated by reference into, this report:

(1) Financial Statements - Reference is made to the "Index to Financial Statements" located at page F-1 of this report for a list of the financial statements and schedules for the year ended November 30, 2005 included herein.

(2) Financial Statement Schedules - All supplemental schedules are omitted because of the absence of conditions under which they are required or because the information is shown in the Consolidated Financial Statements or notes thereto.

(3) Exhibits - The exhibits we have filed herewith or incorporated by reference herein are set forth on the attached Exhibit Index.

(b) See Item 15(a)(3) above.

(c) See Item 15(a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREEN PLAINS RENEWABLE ENERGY, INC.
(Registrant)

Date: February 22, 2006

By /s/ Barry Ellsworth
Barry Ellsworth
President, Chief Executive Officer
and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Barry A. Ellsworth Barry A. Ellsworth	President and Chairman (acts as Principal Executive Officer and Principal Financial Officer)	February 22, 2006
/s/ Dan Christensen Dan Christensen	Secretary, Treasurer and Director (acts as Principal Financial Officer) Director and Vice President	February 22, 2006
/s/ Gary Thien Gary Thien		February 22, 2006
/s/ David A. Hart David A. Hart	Director	February 22, 2006
/s/ Steve Nicholson Steve Nicholson	Director	February 22, 2006
/s/ Robert D. Vavra Robert D. Vavra	Director	February 22, 2006
/s/ Brent Lorimor Brent Lorimor	Director	February 22, 2006
/s/ Hersch Patton Hersch Patton	Director	February 22, 2006
/s/ Brian Peterson Brian Peterson	Director	February 22, 2006

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
3(i).1	Amended and Restated Articles of Incorporation of the Company (Incorporated by reference to Exhibit 3(i).1 of the Company's Registration Statement on Form S-1 filed December 16, 2004, File No. 333-121321)
3(ii).1	Bylaws of the Company (Incorporated by reference to Exhibit 3(ii).1 of the Company's Registration Statement on Form S-1 filed December 16, 2004, File No. 333-121321)
10.1	Option Agreement on Hilger West Property, by and between the Company and Alberta A. Bryon, dated November 12, 2004 (Incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-1 filed December 16, 2004, File No. 333-121321)
10.2	Option Agreement on Hilger East Property, by and between the Company and Alberta A. Bryon, dated October 20, 2004 (Incorporated by reference to Exhibit 10.2 of the Company's Registration Statement on Form S-1 filed December 16, 2004, File No. 333-121321)
10.3	Letter of Intent relating to the purchase of real property from Shenandoah Chamber & Industry Association, dated November 12, 2004 (Incorporated by reference to Exhibit 10.3 of the Company's Registration Statement on Form S-1 filed December 16, 2004, File No. 333-121321)
10.4	Letter Agreement by and between the Company and U.S. Energy, Inc. dated October 5, 2004 (Incorporated by reference to Exhibit 10.5 of the Company's Registration Statement on Form S-1 filed December 16, 2004, File No. 333-121321)
10.5	Agreement by and between the Company and Alberta A. Bryon, dated October 5, 2004 (Incorporated by reference to Exhibit 10.6 of the Company's Registration Statement on Form S-1 filed February 4, 2005, File No. 333-121321)
10.6	Letter of Intent by and between the Company and Alberta A. Bryon, dated October 20, 2005 (Incorporated by reference to Exhibit 10.7 of the Company's Registration Statement on Form S-1/A filed February 4, 2005, File No. 333-121321)
10.7	Martin D. Ruikka, dba PRX Geographic(TM) Quotation, dated May 3, 2004 (Incorporated by reference to Exhibit 10.8 of the Company's Registration Statement on Form S-1/A filed February 4, 2005, File No. 333-121321)
10.8	Martin D. Ruikka, dba PRX Geographic(TM) Invoice, dated May 3, 2004 (Incorporated by reference to Exhibit 10.9 of the Company's Registration Statement on Form S-1/A filed February 4, 2005, File No. 333-121321)
10.9	Master Loan Agreement, dated January 30, 2006, by and between the Company and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, dated February 6, 2006)
10.10	Construction and Term Loan Supplement, dated January 30, 2006, by and between the Company and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, dated February 6, 2006)
10.11	Construction and Revolving Term Loan Supplement, dated January 30, 2006, by and between the Company and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, dated February 6, 2006)
10.12	Security Agreement, dated January 30, 2006, by and between the Company and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, dated February 6, 2006)
10.13	Administrative Agency Agreement, dated January 30, 2006, by and between the Company, Farm Credit Services of America, FLCA and CoBank, ACB (Incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K, dated February 6, 2006)

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.14	Real Estate Mortgage and Financing Statement, dated January 30, 2006 by and between the Company and Farm Credit Services of America, FLCA
10.15	Lump Sum Design Build Agreement, dated January 13, 2006, by and between the Company and Fagen, Inc. (certain portions of the exhibit were omitted pursuant to a confidential treatment request)
10.16	Allowance Contract, by and between the Company and BNSF Railway Company, dated January 26, 2006
10.17	Share Exchange Agreement, dated February 22, 2006, by and between the Company and the parties identified therein.
21.1	Schedule of Subsidiaries
31.1	Certification by Barry A. Ellsworth under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Dan Christensen under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Barry A. Ellsworth pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Dan Christensen pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

GREEN PLAINS RENEWABLE ENERGY, INC.
(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

NOVEMBER 30, 2005

L.L. Bradford & Company, LLC
Certified Public Accountants & Consultants

GREEN PLAINS RENEWABLE ENERGY, INC.
(A DEVELOPMENT STAGE COMPANY)
FINANCIAL STATEMENTS

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders
Green Plains Renewable Energy, Inc.
(A Development Stage Company)
Las Vegas, Nevada

We have audited the accompanying balance sheets of Green Plains Renewable Energy, Inc. (A Development Stage Company) as of November 30, 2005 and 2004, and the related statements of operations, stockholders' equity, and cash flows for the year ended November 30, 2005 and for the period from June 29, 2004 (Inception) through November 30, 2004 and 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Plains Renewable Energy, Inc. as of November 30, 2005 and 2004, and the results of its activities and cash flows for the periods from June 29, 2004 (Inception) through November 30, 2004 and 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ L.L. Bradford & Company, LLC

L.L. Bradford & Company, LLC
January 16, 2006 (except for Note 7 as to which the date is February 6, 2006)
Las Vegas, Nevada

GREEN PLAINS RENEWABLE ENERGY, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS

ASSETS

	November 30, 2005	November 30, 2004
CURRENT ASSETS		
Cash and equivalents	$ 5,794,936	$ 626,093
Securities	28,064,700	-
Deposits related to option agreements	3,000	3,000
Total current assets	33,862,636	629,093
PROPERTY AND EQUIPMENT, net	786,846	-
Total assets	$ 34,649,482	$ 629,093

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 170,701	$ 5,800
Total current liabilities	170,701	5,800
Total Liabilities	170,701	5,800
Commitments and contingencies	-	-
STOCKHOLDERS' EQUITY		
Common stock; $.001 par value, 25,000,000 shares authorized, 4,215,990 and 765,000 shares issued and outstanding respectively	4,216	765
Additional paid-in capital	34,922,314	672,523
Accumulated deficit	(447,749)	(49,995)
Total stockholders' equity	34,478,781	623,293
Total liabilities and stockholders' equity	$ 34,649,482	$ 629,093

GREEN PLAINS RENEWABLE ENERGY, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS

	For the Year Ended		For the Period From Inception On June 29, 2004 Through
	November 30, 2005	November 30, 2004	November 30, 2005
Revenues	$ -	$ -	$ -
Operating expenses	729,546	50,305	779,851
Loss from operations	(729,546)	(50,305)	(779,851)
Other income			
Interest income	331,792	310	332,102
Loss before provision for income taxes	(397,754)	(49,995)	(447,749)
Provision for income taxes	-	-	-
Net loss	$ (397,754)	$ (49,995)	$ (447,749)
Loss per common share - basic and diluted	$ (0.42)	$ (0.08)	
Weighted average common shares outstanding - Basic and diluted	945,517	622,535	

GREEN PLAINS RENEWABLE ENERGY, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM JUNE 29, 2004 (INCEPTION) THROUGH NOVEMBER 30, 2005

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at June 29, 2004 (Inception)	-	$ -	$ -	$ -	$ -
Issuance of common stock to the founders of the Company for cash at $0.25 per share	400,000	400	99,600	-	100,000
Issuance of common stock for services at $0.25 per share	150,000	150	37,350	-	37,500
Issuance of common stock to directors of the Company for cash	73,000	73	182,427	-	182,500
Issuance of common stock for cash, net of offering costs of $1,712	142,000	142	353,146	-	353,288
Net loss for the period ended November 30, 2004	-	-	-	(49,995)	(49,995)
Balance at November 30, 2004	765,000	765	672,523	(49,995)	623,293
Issuance of common stock for services at $10.00 per share	5,000	5	49,995	-	50,000
Issuance of common stock for cash, net of offering costs of $256,658 at $10.00 per share	3,445,990	3,446	34,199,796	-	34,203,242
Net loss for the year ended November 30, 2005	-	-	-	(397,754)	(397,754)
Balance at November 30, 2005	4,215,990	$ 4,216	$ 34,922,314	$ (447,749)	$ 34,478,781

GREEN PLAINS RENEWABLE ENERGY, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS

	For the Year Ended		For the Period From Inception On June 29, 2004 Through
	November 30, 2005	November 30, 2004	November 30, 2005
Cash flows from operating activities:			
Net loss	$ (397,754)	$ (49,995)	$ (447,749)
Adjustments to reconcile net loss to net cash used by operating activities:			
Stock based compensation	50,000	37,500	87,500
Depreciation	1,693	-	1,693
Changes in operating assets and liabilities:			
Accounts payable and accrued expenses	164,901	5,800	170,701
Net cash used by operating activities	(181,160)	(6,695)	(187,855)
Cash flows from investing activities:			
Purchase of securities	(28,064,700)	-	(28,064,700)
Purchase of property and equipment	(788,539)	-	(788,539)
Deposits related to option agreements	-	(3,000)	(3,000)
Net cash used by investing activities	(28,853,239)	(3,000)	(28,856,239)
Cash flows from financing activities:			
Proceeds from issuance of stock	34,203,242	635,788	34,839,030
Net cash provided by financing activities	34,203,242	635,788	34,839,030
Net increase in cash and equivalents	5,168,843	626,093	5,794,936
Cash and equivalents, at beginning of period	626,093	-	-
Cash and equivalents, at end of period	$ 5,794,936	$ 626,093	$ 5,794,936
Supplemental disclosures of cash flow:			
Cash paid for income taxes	$ -	$ -	$ -
Cash paid for interest	$ -	$ -	$ -

1. DESCRIPTION OF BUSINESS, HISTORY, AND SUMMARY OF SIGNIFICANT POLICIES

Description of business - Green Plains Renewable Energy, Inc. (hereinafter referred to as the "Company") is a development stage company incorporated on June 29, 2004 under the laws of the state of Iowa. Green Plains Renewable Energy, Inc. was organized to construct and operate a 50 million gallon, dry mill, fuel grade ethanol plant ("Plant").

Definition of fiscal year - The Company's fiscal year end is November 30.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - The Company considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Company maintains cash balances with several regional financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to $100,000. As of November 30, 2005, the Company's uninsured cash balances totaled $17,745.

Income taxes - The Company accounts for its income taxes in accordance with Statement of Financial Accounting Standards No. 109. Deferred tax assets and liabilities at the end of each period are determined using the tax rate expected to be in effect when taxes are actually paid or recovered. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. As of November 30, 2005 the Company had net operating loss carryovers of approximately $397,749, with an approximate value of $155,000. which expire in 2025. As of November 30, 2005, the Company established a valuation allowance for the entire deferred tax asset of the net operating loss carryover of approximately $155,000.

Net loss per common share - The Company computes net loss per share in accordance with SFAS No. 128, Earnings per Share (SFAS 128) and SEC Staff Accounting Bulletin No. 98 (SAB 98). Under the provisions of SFAS 128 and SAB 98, basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period. The calculation of diluted net loss per share gives effect to common stock equivalents, however, potential common shares are excluded if their effect is antidilutive. For year ended November 30, 2005 and for the period from June 29, 2004 (Inception) through November 30, 2004, no shares were excluded from the computation of diluted earnings per share because their effect would be antidilutive.

Stock-based compensation - The Company applies SFAS No. 123 Accounting for Stock-Based Compensation for all compensation related to stock, options or warrants. SFAS 123 requires the recognition of compensation cost using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued using the market price of the stock on the date of the related agreement.

The Company granted no warrants or options for compensation for the year ended November 30, 2005 or for the period from inception on June 29, 2004 through November 30, 2004.

1. DESCRIPTION OF BUSINESS, HISTORY, AND SUMMARY OF SIGNIFICANT POLICIES (continued)

During the year ended November 30, 2005, the Company adopted the following accounting pronouncements:

SFAS No. 150 -- In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" which is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. This Statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) because that financial instrument embodies an obligation of the issuer. The adoption of SFAS No. 150 did not have a material effect on the financial statements of the Company.

SFAS No. 151 -- In November 2004, the FASB issued SFAS No. 151 (SFAS 151), "Inventory Costs". SFAS 151 amends ARB No. 43, Chapter 4. This statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). SFAS 151 is the result of a broader effort by the FASB and the IASB to improve financial reporting by eliminating certain narrow differences between their existing accounting standards. This statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The adoption of SFAS 151 will not have a material impact on the results of operations or financial position of the company as it does not have inventory.

SFAS No. 153 -- In December 2004, the FASB issued SFAS No. 153 (SFAS 153) "Exchange of Non-monetary assets". This statement was a result of a joint effort by the FASB and the IASB to improve financial reporting by eliminating certain narrow differences between their existing accounting standards. One such difference was the exception from fair value measurement in APB Opinion No. 29, Accounting for Non-Monetary Transactions, for non-monetary exchanges of similar productive assets. SFAS 153 replaces this exception with a general exception from fair value measurement for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement is effective for non-monetary assets exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of SFAS 153 will not have a material effect on the Company's financial position or results of operations.

The following accounting pronouncement has not yet been adopted by the Company:

SFAS No. 123(R) -- In December 2004, the FASB issued SFAS No. 123 (Revised 2004) (SFAS 123 (R)) "Share-based payment". SFAS 123 (R) will require compensation costs related to share-based payment transactions to be recognized in the financial statements. With limited exceptions, the amount of compensation cost will be measured based on the grant-date fair value of the equity or liability instruments issued. In addition, liability awards will be re-measured each reporting period. Compensation cost will be recognized over the period that an employee provides service in exchange for the award. FASB 123 (R) replaces FASB 123, Accounting for Stock-Based Compensation and supersedes APB option No. 25, Accounting for Stock Issued to Employees. This guidance is effective as of the first interim or annual reporting period after December 15, 2005 for Small Business filers.

1. DESCRIPTION OF BUSINESS, HISTORY, AND SUMMARY OF SIGNIFICANT POLICIES (continued)

Fixed assets - Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets which is primarily 3 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operating income or loss.

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Research and Development - The Company follows the policy of expensing its research and development costs in the period in which they are incurred.

Revenue Recognition - The Company currently has no source of revenues. Revenue recognition policies will be determined when principal operations begin.

Advertising - The Company expenses advertising costs in the period in which they are incurred. Advertising expense was $105,110 and $-0- for the 2005 and 2004, respectively.

Securities - The Company's marketable securities are classified as held to maturity and reported at amortized cost. The Company's securities are primarily investments in short term interest bearing financial instruments.

2. DEPOSITS RELATED TO OPTION AGREEMENTS

As of November 30, 2005 deposits related to option agreements totaling $3,000 consists of the following:

Deposit related to the option agreement to purchase farm real estate located in Fremont county, Iowa	$ 3,000

3. STOCKHOLDERS' EQUITY

During July 2004, the Company issued 400,000 and 150,000 shares of common stock to the founders of the Company for cash and services, respectively. The shares were issued in consideration of cash and services totaling $100,000 and $37,500, respectively.

During August, October and November 2004, the Company issued 73,000 shares of common stock to directors for cash totaling $182,500.

During August, September, October and November 2004, the Company issued 142,000 shares of common stock to various non-related individuals and entities for cash totaling $355,000.

During November 2005, the Company issued 3,445,990 shares of common stock to various non-related individuals and entities for cash totaling $34,459,900.

During November 2005, the Company issued 5,000 shares of common stock to a director for services valued at $50,000 or $10.00 per share.

4. COMMITMENTS AND CONTINGENCIES

During October 2005, the Company entered into an agreement with Fagen Engineering for design services for the Pre Engineering Phase I and II work to be done at the plant site by the Company, prior to turning the site over to Fagen, Inc. for the construction of the plant itself. The Company agreed to pay Fagen Engineering a lump sum fee for said engineering. However, said amount is included as part of the total cost of the plant itself, as outlined in the Design Build Contract we have entered into with Fagen, Inc., which is anticipated to be $55,881,454. Therefore, the cost of the pre-engineering will be deducted from the total cost of plant once we pay for the pre-engineering work. All payments are due upon receipt, and the Company is to be billed as work is completed. As of November 30, 2005, the Company had paid $27,750 of the total amount to be billed.

During October 2005, the Company entered into an agreement with a company for air permitting and a storm water runoff plan for $11,000. All payments are due upon receipt, and the Company is to be billed as work is completed. As of November 30, 2005, the Company had paid $2,116 of the total amount to be billed.

During October 2005, the Company entered into an agreement with a company that was to perform soil borings and soils testing at the plant site for a total of $18,514. All payments are due upon receipt, and the Company is to be billed as work is completed. As of November 30, 2005, the majority of the work had been completed.

During July 2005, the Company entered into an agreement with an engineer for design services for a spur track to serve the ethanol plant the Company plans to construct in Iowa. The Company agreed to pay the engineer $2,000 for the study and report phase of the project and a lump sum fee of $50,000 for the preliminary and final design phases. The engineer has the option of receiving the $50,000 in cash or 5,000 shares of the Company's common stock. All payments are due upon receipt of engineer's invoices. Any additional payments and services must be approved by the Company in writing. As of November 30, 2005 the Company accrued approximately $2,800 for services performed under this contract, recorded as part of accounts payable.

5. PROPERTY AND EQUIPMENT

Fixed assets consist of the following as of November 30, 2005:

Furniture and equipment	$ 11,578
Land and improvements	684,461
Construction in progress	92,500
Less: accumulated depreciation	(1,693)
	$ 786,846

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

In addition to trade creditors the following are included in Accounts Payable and Accrued Liabilities:

The Company has a line of credit through a credit card company with a credit line up to $10,700 with an annual variable rate (16.49% at November 30, 2005). As of November 30, 2005, the balance on the line of credit totaled $4,279.

The Company has a second line of credit through a credit card company with a credit line up to $15,000 with an annual variable rate (9.99% at November 30, 2005). As of November 30, 2005, the balance on the line of credit totaled $7,697.

As of November 30, 2005 other accrued liabilities consisted of consulting fees totaling $11,600.

7. SUBSEQUENT EVENTS

The engineering firm described in Note 4, engaged to design the rail layout at the Plant exercised its option to be paid in shares of the Company's common shares in lieu of cash of $50,000 for its services. On January 4, 2006, the Board of Directors of the Company approved the issuance of 5,000 of the Company's restricted stock at $10.00 per share.

The Company entered into a construction agreement dated January 13, 2006, with Fagen, Inc., under which Fagen, Inc. will provide all work and services in connection with the engineering, design, procurement, construction startup, performances tests, training for the operation and maintenance of its plant and provide all material, equipment, tools and labor necessary to complete the plant. As consideration for the services to be performed, the Fagen, Inc. will be paid $55,881,454, subject to adjustments. The Company is required to pay an initial payment of $5,000,000, less retainage, at the time of the notice to proceed. The Company is required to make payments to Fagen, Inc. based upon monthly applications for payment.

On February 6, 2006, we entered into a Master Loan Agreement, Construction and Term Loan Supplement, Construction and Revolving Term Loan Supplement, Security Agreement and Real Estate Mortgage with Farm Credit Services of America, FLCA whereby the lenders will loan up to $47,000,000. The loan proceeds are to partially finance construction of the Plant and to provide funding for working capital purposes. The Plant is to be in production by no later than May 1, 2007 and construction costs are not to exceed an aggregate of $71,000,000, net of refundable sales taxes. The loan is comprised of a $30,000,000 amortizing term loan and a $17,000,000 revolving term facility.

The amortizing term loan is available for advances until July 1, 2007. Principal payments are to commence with $1,200,000 due November 20, 2007, and each quarter thereafter with a final maturity on November 20, 2013 at the latest. In addition, for fiscal years ending in 2007 and thereafter, we are also required to make a special payment equal to 65% of the available (if any) free cash flow from operations, not to exceed $2,000,000 per year, and provided, however, that if such payments would result in a covenant default under the Loan Agreements, the amount of the payments shall be reduced to an amount which would not result in a covenant default. The free cash flow payments are discontinued when the aggregate total received from such payments exceeds $8,000,000.

The revolving term loan is available for advances throughout the life of the commitment. This loan requires semi-annual $2,400,000 payments or step-downs of the commitment to commence on the first day of the month beginning approximately six months after repayment of the term loan, by May 1, 2014 at the latest with a final maturity no later than November 1, 2017.

8. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following financial information reflects all normal recurring adjustments, which are, in the opinion of management, necessary for a fair statement of the results of the interim periods. Summarized quarterly data for fiscal 2005 are as follow:

	Year ended November 30, 2005			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Selected quarterly financial data:				
Revenues	$ -0-	$ -0-	$ -0-	$ -0-
Total operating expenses	110,714	231,766	222,433	164,633
Net income (loss)	(109,491)	(231,524)	(222,013)	165,274
Net income (loss)	(109,491)	(231,524)	(222,013)	165,274

applicable to common stockholders				
Basic and diluted net income (loss) per common share(1)	(0.14)	(0.30)	(0.29)	0.12

(1)Earnings per share are computed independently for each of the quarters presented. Therefore, the sum of the quarterly net losses per share will not necessarily equal the total for the year.

Prepared by and when recorded, return to:
CoBANK, ACB, Contact Person: Melanie N. Ferguson
P.O. Box 5110, Denver, Colorado 80217
Phone: 303-740-4361

- ---

REAL ESTATE MORTGAGE AND FINANCING STATEMENT - IOWA

THIS MORTGAGE is made January 9, 2006, between GREEN PLAINS RENEWABLE ENERGY, INC., 119 South Elm, Shenandoah, Iowa 51601, organized and existing under the laws of the State of Iowa, hereinafter called "Mortgagor", and FARM CREDIT SERVICES OF AMERICA, FLCA, 5015 South 1 18th Street, Omaha, Nebraska 68137, a federally chartered instrumentality of the United States and any amendments thereto (hereinafter called the "Mortgagee").

WHEREAS, in accordance with a Master Loan Agreement dated January 9, 2006, Supplements thereto dated January 9, 2006, and any additional Supplements or amendments thereto, hereinafter called the "Agreement", Mortgagor and Mortgagee have established and evidenced the willingness of Mortgagee to loan money to Mortgagor in accordance with the terms and conditions of the Agreement.

WHEREAS, Mortgagor's obligation to repay any loans made by Mortgagee to Mortgagor will be evidenced by said Agreement and by one or more Notes aggregating in principal amounts the amount of money which the Mortgagee has committed to lend to the Mortgagor and, in addition to obligation to repay the foregoing described loans, Mortgagor has other indebtedness, liabilities and obligations to Mortgagee as is provided in said Agreement.

WHEREAS, from time to time after the date hereof, at the option of the parties, Mortgagor and Mortgagee may enter into one or more (Supplements to the) Agreement(s) to provide for the Mortgagee making additional loans to the Mortgagor and changing the other obligations of Mortgagor to Mortgagee, PROVIDED, HOWEVER, THIS RECITAL SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT.

WHEREAS, Mortgagor's obligation to repay all future loans, additional advances and increased advances other than those made in accordance with the Agreement, will be evidenced by said Agreement, and by one or more Notes.

WHEREAS, Mortgagor desires to mortgage the real estate described herein to secure the payment of all Mortgagor's indebtedness, liabilities and obligations to Mortgagee, including the indebtedness, liabilities and obligations evidenced by said Agreement and by one or more Notes dated on or before the date hereof, and including all future loans, additional advances, increased advances and all future indebtedness, liabilities and obligations of Mortgagor to Mortgagee, evidenced by said Agreement, and by one or more Notes dated after the date hereof.

NOW, THEREFORE, for and in consideration of the premises and the amount of the initial advance made to Mortgagor by Mortgagee in accordance with said Agreement, and to induce Mortgagee to make future advances to Mortgagor, in order to secure the payment of all of Mortgagor's indebtedness, liabilities and obligations to Mortgagee, including the indebtedness, liabilities and obligations evidenced by said Agreement, and by one or more Notes, and including all future loans, additional advances increased advances and all future obligations of Mortgagor to Mortgagee made and incurred prior to November 1, 2027, principal amount all of which (exclusive of sums advanced to protect and preserve the Property covered by this Mortgage and further exclusive of all interest, fees, costs and expenses paid or to be paid under all such advances and loans) shall not exceed $94,000,000.00, the Mortgagor has executed and delivered this Mortgage and hereby

(NOTICE: This Mortgage secures credit in the amount of $94,000,000.00. Loans and advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.)

grants, sells and conveys to said Mortgagee the following described Property in Fremont County, Iowa to wit:

See attached Exhibit A

together with all of the improvements now or hereafter erected on the foregoing described Property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the foregoing described Property, all of which, including replacements and additions thereto, shall be deemed to be and remain part of the Property covered by this Mortgage; and all of the foregoing, together with said foregoing described Property (or the leasehold estate in the event this Mortgage is on leasehold) are herein referred to as the "Property."

TO HAVE AND TO HOLD the Property unto the Mortgagee, forever, the intention being to convey an absolute title in fee to said Property and the Mortgagor covenants and agrees:

FIRST. That it will keep the Property and all parts thereof insured by policies of insurance, of such kinds and in forms and amounts and with a company or companies satisfactory to the Mortgagee, with a clause or clauses attached making loss payable to the Mortgagee as its interest may appear; if so requested by the Mortgagee, the said policies of insurance are to be delivered to the Mortgagee. The Mortgagee is hereby given a first lien on any insurance proceeds paid as a result of loss or damage to the Property. Any insurance funds paid to the Mortgagee as a result of damage or loss to the Property shall, at the option of the Mortgagee, be credited against the payment or payments of the

indebtedness, liabilities and obligations secured by this Mortgage.

SECOND. That it will pay all premiums upon insurance policies, licenses, or fees legally owing by the Mortgagor, and all taxes and assessments which may be levied or assessed upon the Property, and in default thereof the Mortgagee may pay the said insurance premiums, licenses, fees, taxes, or assessments due, and any amount so paid shall become a part of the principal debt, shall bear interest from the date of payment at the rate of eighteen percent per annum, shall, together with interest, be a lien on the Property and be secured by this Mortgage and shall be immediately due and payable.

THIRD. That it will keep all buildings and equipment subject to this Mortgage in good and substantial repair during the continuance hereof and will not cause, suffer, or permit waste thereof.

FOURTH. That it will bear all expenses or costs incident to the release of the lien of this Mortgage, in whole or in part.

FIFTH. That it will, at all times during the existence of any part of the lien herein provided for, maintain and operate its business in such a manner that it will remain an entity qualified to borrow under the provisions of the Act of Congress known as the Farm Credit Act of 1971, as amended.

SIXTH. That it will not, during the existence of any part of the lien herein provided for, sell, lease, or assign all, or any part of the Property without the prior written consent of the Mortgagee approving such sale, lease, or assignment.

SEVENTH. That no remedy herein conferred on or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative to and shall be in addition to every other remedy given hereunder, and now or hereafter existing at law or in equity or, by statute, by operations of law or otherwise.

EIGHTH. That every right, remedy, privilege, covenant, agreement, and power granted hereunder to the said Mortgagee shall run, inure and be likewise for the benefit of any or all successors or assigns of said Mortgagee.

NINTH. That it is lawfully seized of the Property, has good right to sell and convey same, free of all encumbrances, that it will defend the quiet enjoyment thereof by the Mortgagee, and will warrant and defend the same against all lawful claims of any person whomsoever; that it will not remove all or any portion of the said Property from the county.

TENTH. Mortgagor further makes the following representations, warranties, and covenants, all of which are subject to any exceptions that

Mortgagor may have previously disclosed in writing to Mortgagee, and which, to the extent that they deal with representations of fact, are based on Mortgagor's present knowledge, arrived at after reasonable inquiry.

(1) Use of Property and Facilities. (a) Mortgagor will (i) use, handle, transport and store Hazardous Materials as defined under any Environmental Law and (ii) store or treat nonhazardous wastes (a) in a good and prudent manner in the ordinary course of business, and (b) in compliance with all applicable Environmental Laws. It is understood and agreed that certain Hazardous Materials are used, handled, transported and stored in the ordinary course of business when operating an Ethanol plant.

(b) Mortgagor will not conduct or allow to be conducted, in violation of any Environmental Law, any business, operations or activity on the Property, or employ or use the Property to generate, use, handle, manufacture, treat, store, process, transport or dispose of any Hazardous Materials in violation of any Environmental Law.

(c) Mortgagor will not do or permit any act or thing, business or operation, that poses an unreasonable risk of harm, or impairs, or may impair, the value of the Property, or any part thereof. The operation of an Ethanol plant in the ordinary course of business shall not be deemed to be a violation of this Section 1(c).

(2) Condition of Property. (a) Mortgagor shall take all appropriate response action, including any removal and remedial action, in the event of a release, emission, discharge or disposal of Hazardous Materials in violation of any Environmental Laws in, on, under or about the Property, so as to remain in compliance with Environmental Law as hereinafter defined.

(b) Underground tanks, wells (except domestic water wells), septic tanks, ponds, pits, or any other storage tanks (whether currently in use or abandoned) on the Property, if any, are maintained in compliance with applicable Environmental Law.

(3) Notice of Environmental Problem or Litigation. Neither Mortgagor nor any of its tenants have given, nor were they required to give, nor have they received, any notice, letter, citation, order, warning, complaint, inquiry, claim or demand that: (i) Mortgagor and/or any tenants have violated, or are about to violate, any Environmental Law, judgment or order; (ii) there has been a release, or there is a threat of release, of Hazardous Materials from the Property; (iii) Mortgagor and/or tenants may be or are liable, in whole or in part, for the costs or cleaning up, remediating, removing or responding to a release or threatened release of Hazardous Materials; (iv) the Property is subject to a lien in favor of any governmental entity or any liability, costs or damages, under any Environmental Law arising from or costs incurred by such governmental entity in response to a release or a threatened release of a Hazardous Material. Mortgagor further represents and warrants that no conditions currently exist or are currently reasonably foreseeable, that would subject Mortgagor to any such investigation, litigation, administrative enforcement or any damages, penalties, injunctive relief, or cleanup costs under any Environmental Law. In the event of such notice, Mortgagor and any tenants shall immediately provide a copy to the Mortgagee.

(4) Right of Inspection. Mortgagor hereby grants, and will cause any tenants to grant, to Mortgagee, its agents, attorneys, employees, consultants, contractors, successors and assigns, an irrevocable license and authorization, upon reasonable notice, to enter upon and inspect the Property and facilities thereon, and perform such tests, including without limitation, subsurface testing, soils and groundwater testing, and other tests which may physically invade the Property thereon, as the Mortgagee in its sole discretion, determines are necessary to protect its security interest, provided however, that under no circumstances shall the Mortgagee be obligated to perform such inspections or tests.

(5) Indemnity. Mortgagor agrees to indemnify and hold Mortgagee, its directors, employees, agents, and its successors and assigns, harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, judgments, administrative orders, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorney's fees and expenses) arising directly or indirectly, in whole or in part, out of any failure of Mortgagor to comply with the environmental representations, warranties and covenants contained herein.

(6) Continuation of Representations, Warranties, Covenants and Indemnities. Mortgagor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation, the satisfaction of the promissory note(s) secured hereby, the reconveyance or foreclosure of this mortgage, the acceptance by Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the Property.

(7) Corrective Action. In the event the Mortgagor is in breach of any of its representations, warranties or agreements as set forth above, Mortgagor at its sole expense, shall take all action required, including environmental cleanup of the Property, to comply with the representations, warranties and covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary under all applicable Environmental Laws.

(8) Hazardous Materials Defined. The term "Hazardous Materials" shall mean dangerous, toxic, or hazardous pollutants, contaminants, chemicals, wastes, materials or substances, as defined in or governed by the provisions of any Environmental Law.

(9) Environmental Law Defined. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, rule, regulations, administrative order and permit now in effect or hereinafter enacted, pertaining to the public health, safety, industrial hygiene, or the environmental conditions on, under or about the Property.

ELEVENTH. That in the event the Mortgagor defaults in the payment of all or any of the indebtedness, liabilities and obligations of Mortgagor to Mortgagee evidenced by said Agreement and by one or more Notes, when due whether by acceleration or otherwise, or defaults in the payment of any insurance premiums or taxes or in the event of the violation of any of the other conditions, agreements or covenants, or in the event the Mortgagor fails or refuses to make the investment in the Mortgagee as required by the Farm Credit Act of 1971, as amended, or upon any change of ownership by legal process, execution, judicial sale, or operation of law, or if the Mortgagor shall cease the operation of its plant, then the Mortgagee may elect, without notice, that the whole of the principal sum hereby secured, or so much as shall then remain unpaid, together with any interest accrued thereon, shall immediately become due and payable, and the Mortgagee may immediately foreclose this Mortgage or pursue any other available legal remedy. Provided that in the event of such default and prior to said foreclosure and sale, the Mortgagee is hereby authorized to enter upon the Property, to take possession of the same, and to rent or lease any of the Property to any person, who is hereby authorized to occupy the said Property, the proceeds thereof, after deducting all necessary expenses, to be applied to the payment of the indebtedness, liabilities and obligations secured hereby; and said Mortgagor hereby appoints and designates the Mortgagee, or any person appointed by it therefor, as its agent and attorney in fact, with full power and authority to execute, in the name of and by authority of the Mortgagor, any instrument by which the Mortgagee exercise any of the rights and privileges herein conferred. In the event of any action by the Mortgagee to enforce collection of said indebtedness, liabilities or obligations, the Mortgagor agrees that all taxable costs of such action, including statutory attorney fees for plaintiff's attorney and the cost of extending the abstract of title or providing title insurance and any costs necessary to clear title to said Property shall become a part of said indebtedness, liabilities or obligations secured hereby and shall be paid by the Mortgagor.

TWELFTH. That the omission of the Mortgagee to exercise any option hereunder, in case of any default by the Mortgagor, shall not preclude it from the exercise thereof at any subsequent time, or for any subsequent default, and nothing but a written contract of the Mortgagee shall be a waiver of any such option.

THIRTEENTH. It is further agreed that in case of default in respect to any of the terms of this Mortgage, the Mortgagee, either before or on the commencement of an action to foreclose this Mortgage, or at any time thereafter, shall be entitled to the appointment of a receiver, who shall have the power to take and hold possession of said Property and to rent the same, collect the rents and profits therefrom for the benefit of said Mortgagee, pay the taxes levied against said Property, and keep the same in repair, and such right shall in no event be barred, forfeited, or retarded by reason of judgment, decree or sale in such foreclosure, and the right to have such receiver appointed upon application of the Mortgagee shall exist regardless of the fact of solvency or insolvency of the Mortgagor, and regardless of the value of said mortgaged premises, or the waste, loss, and destruction of the rents and profits of said mortgaged premises during the statutory period of redemption. The right to the appointment of such receiver shall be construed as auxiliary to and in aid of any other rights under this Mortgage as hereinbefore provided, and in no manner as detracting from or in derogation of said lien.

FOURTEENTH. And whereas the said Mortgagor in making application for a loan has made certain representations to the Mortgagee as to the purpose or purposes for which the money loaned on this Mortgage was borrowed, such representations are hereby specifically referred to and made a part of this Mortgage. It is further agreed that this Mortgage is made pursuant, and is subject to all the provisions of the Act of Congress known as the Farm Credit Act of 1971, and all Acts amendatory thereof or supplementary thereto.

FIFTEENTH. This Mortgage shall cover all Property now or hereafter owned by Mortgagor and affixed to or located upon or used in connection with or

in the operation of the Property, and all renewals, replacements or substitutions therefore, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the real property.

The Mortgagor hereby acknowledges that the Mortgagee has delivered to it, and it has, at the time of the delivery of this Mortgage, received a true duplicate copy of said instrument.

IN WITNESS WHEREOF, the Mortgagor, having complied with all the conditions necessary to render this a valid mortgage, and its officers being duly authorized to do so, has executed this Mortgage on the day and year first above written.

GREEN PLAINS RENEWABLE ENERGY, INC.

By /s/ Barry Ellsworth

President

ACKNOWLEDGMENT

STATE OF NEVADA)
) ss.
COUNTY OF _____)

On this ___ day of_____, 2006, before me _____, a Notary Public in and for said County, personally appeared Barry Ellsworth to me personally known, who, being by me duly sworn did say that he/she is the President of GREEN PLAINS RENEWABLE ENERGY, INC.; and that the instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that said officer above named, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, and by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed my Notarial Seal at, in said County, the day and year last above written.

_____
Notary Public in and for said County and State

My commission expires_____

FAILURE TO RECORD OR FILE THIS MORTGAGE
MAY AFFECT THE PRIORITY OF THIS MORTGAGE.

EXHIBIT A

GREEN PLAINS RENEWABLE ENERGY, INC.
Shenandoah, Iowa

Fremont County, Iowa:

The North 1/2 of the Northwest 1/4 of Section 25, Township 69 North, Range 40 West of the 5th PM Fremont County, Iowa, and the West 1/2 of Lot 5 of the North 1/2 of the Northeast 1/4 of Said Section 25, and Parcel "B" of the East 1/2 of Said Lot 5, and Parcel "A" of Parcel 2 of the South 1/2 of Lot 6 of the North 1/2 of the Northeast 1/4 and South 1/2 of the Northeast 1/4 of said Section 25, Containing 108.09 acres.

LUMP SUM DESIGN-BUILD AGREEMENT

BETWEEN

GREEN PLAINS RENEWABLE ENERGY, INC. ("OWNER")

AND

FAGEN, INC. ("DESIGN-BUILDER")

January 13, 2005

TABLE OF CONTENTS

Table of Contents
(continued)

LUMP SUM DESIGN-BUILD CONTRACT

This LUMP SUM DESIGN-BUILD CONTRACT (the "Agreement") is made as of January 13, 2005, (the "Effective Date") by and between Green Plains Renewable Energy, Inc. an Iowa limited liability company (the "Owner") and Fagen, Inc., a Minnesota corporation (the "Design-Builder").

RECITALS

A. The Owner desires to develop, construct, own and operate a 50 million gallons per year ("MGY") dry grind ethanol production facility located at Shenandoah, Iowa (the "Plant"); and

B. Design-Builder desires to provide design, engineering, procurement and construction services for the Plant.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein and for other good and valuable consideration, Owner and Design-Builder agree as follows.

AGREEMENT

Article 1

Definitions; Rules of Interpretation

1.1 Rules of Construction. The capitalized terms listed in this Article shall have the meanings set forth herein whenever the terms appear in this Agreement, whether in the singular or the plural or in the present or past tense. Other terms used in this Agreement but not listed in this Article shall have meanings as commonly used in the English language and, where applicable, in generally accepted construction and design-build standards of the fuel ethanol industry in the Midwest United States. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

(a) The masculine shall include the feminine and neuter.

(b) References to "Articles," "Sections," "Schedules," or "Exhibits" shall be to Articles, Sections, Schedules or Exhibits of this Agreement.

(c) This Agreement was negotiated and prepared by each of the Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

1.2 Defined Terms. In addition to definitions appearing elsewhere in this Agreement, the following terms have the following meanings:

AAA is defined in Section 19.1.

Agreement is defined in the Preamble.

Air Emissions Tester means a third party entity engaged by Owner meeting all required state and federal requirements for such testing entities, to conduct air emissions testing of the Plant in accordance with Exhibit A.

Applicable Law means

(a) any and all laws, legislation, statutes, codes, acts, rules, regulations, ordinances, treaties or other similar legal requirements enacted, issued or promulgated by a Governmental Authority;

(b) any and all orders, judgments, writs, decrees, injunctions, Governmental Approvals or other decisions of a Governmental Authority; and

(c) any and all legally binding announcements, directives or published practices or interpretations, regarding any of the foregoing in (a) or (b) of this definition, enacted, issued or promulgated by a Governmental Authority;

to the extent, for each of the foregoing in (a), (b) and (c) of this definition, applicable to or binding upon (i) a Party, its affiliates, its shareholders, its members, it partners or their respective representatives, to the extent any such person is engaged in activities related to the Project; or (ii) the property of a Party, its affiliates, its shareholders, its members, its partners or their respective representatives, to the extent such property is used in connection with the Project or an activity related to the Project.

Application for Payment is defined in Section 10.2.1.

As Built Plans is defined in Section 5.2.

Bankrupt Party is defined in Section 15.6.1.

Baseline Index is defined in Section 12.4.1.

CCI is defined in Section 12.4.1.

Certificate of Substantial Completion is defined in Section 6.5.3

Change Order is defined in Section 13.1.1.

Construction Documents is defined in Section 3.2.2.

Contract Documents is defined in Section 2.2.

Contract Price is defined in Section 9.1.

Damages is defined in Section 14.3.1.

Day or Days shall mean calendar days unless otherwise specifically noted in the Contract Documents.

Design-Builder is defined in the Preamble.

Design-Builder's Representative is defined in Section 16.2.

Design-Builder's Senior Representative is defined in Section 16.2.

Design Consultant is a qualified, licensed design professional that is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder or Subcontractor, to furnish design services required under the Contract Documents.

Differing Site Conditions is defined in Section 11.2.1.

Early Completion Bonus is defined in Section 6.5.4.

Effective Date is defined in the Preamble.

Final Application for Payment is defined in Section 10.3.

Final Completion is defined in Section 6.6.2.

Final Completion Date is the date that is 90 Days after the Substantial Completion Date.

Final Payment is defined in Section 10.3.

Financial Closing means the execution of the Financing Documents by all the parties thereto, and the fulfillment of all conditions precedent thereunder necessary to permit the advance of funds to pay amounts due under this Agreement.

Financing Documents means the final loan documents with the lender or lenders providing financing for the construction or term financing of the Plant.

Force Majeure Event is defined in Section 12.1.

Governmental Approvals are any material authorizations or permissions issued or granted by any Governmental Authority to the Project, its Owner, the Design-Builder, Subcontractors and their affiliates in connection with any activity related to the Project.

Governmental Authority means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal; in each case having jurisdiction over the Owner, the Design-Builder, the Project, or the Site.

Hazardous Conditions are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

ICM is defined in Section 5.2.1.

ICM License Agreement means the license agreement to be executed between Owner and ICM, Inc., substantially in the form attached hereto as Exhibit D.

Indemnified Parties is defined in Section 5.2.

Independent Engineer means Owner's and Lenders' independent engineer.

Industry-Wide Disruption is defined in Section 12.4.

Legal Requirements or Laws are all applicable federal, state and local statutes, laws, codes, ordinances, rules, regulations, judicial decisions, orders, decrees plans, injunctions, permits, tariffs, governmental agreements and governmental restrictions, whether now or hereafter in effect, of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work, including any consensus standards for materials, products, systems, and services established by ASTM International, any successor organization thereto, or any Governmental Authority.

Lenders means the lenders that are party to the Financing Documents.

Lenders' Agent means an agent or agents acting on behalf of the Lenders.

Manufacturer's Warranty shall mean a warranty provided by the original manufacturer or vendor of equipment used by Design-Builder in the Plant.

MGY is defined in the Recitals.

Notice to Proceed is defined in Section 6.3.

Oversight Items is defined in Section 4.3.

Owner is defined in the Preamble.

Owner Indemnified Parties is defined in Section 14.3.1.

Owner's Representative is defined in Section 16.1.

Owner's Senior Representative is defined in Section 16.1.

Pass Through Warranties mean any warranties provided to Design-Builder by a Subcontractor which are assigned to Owner.

Pay Period means, with respect to a given Application for Payment or Progress Report, the one month period following the last day of the previous Pay Period

to which the immediately prior Application for Payment or Progress Report is applied; provided that the initial Pay Period shall commence on the date of delivery of the Notice to Proceed and end on the 24th day of the calendar month during which the Notice to Proceed is issued.

Payment Bond is defined in Section 7.4.2.

Performance Bond is defined in Section 7.4.1.

Performance Guarantee Criteria means the criteria listed in Exhibit A.

Performance Tests is defined in Section 7.2.1.

Phase I is defined in Exhibit C.

Phase II is defined in Exhibit C.

Plant is defined in the Recitals.

Preliminary Construction Documents is defined in Section 3.2.1.

Progress Report is defined in Section 3.8.

Project is defined in Section 2.1.

Project Scope is defined in Exhibit B.

Punch List is defined in Section 6.5.3.

Qualified Independent Expert means an expert retained by Owner and approved by Design-Builder pursuant to Section 11.1.2.

Safety Representative is defined in Section 3.7.1.

Schedule of Values is defined in Section 10.2.5.

Scheduled Substantial Completion Date is defined in Section 6.5.1.

Site is the land or premises on which the Project is located.

Subcontractor is any person or entity retained by Design-Builder, or by any person or entity retained directly or indirectly by Design-Builder, in each case as an independent contractor to perform a portion of the Work and shall include materialmen and suppliers.

Substantial Completion is defined in Section 6.5.2.

Work is defined in Section 3.1.

Work Product is defined in Section 5.1.

Work Schedule is defined in Section 6.1.

Article 2
The Project

2.1 Services to be Performed. Pursuant to this Agreement, Design-Builder shall perform all work and services in connection with the engineering, design, procurement, construction startup, Perfomance Tests, training for the operation and maintenance of the Plant, and provide all material, equipment, tools and labor necessary to complete the Plant in accordance with the terms of this Agreement. The Plant, together with all equipment, labor, services and materials furnished hereunder is defined as the "Project."

2.2 Extent of Agreement. This Agreement consists of the following documents, and all exhibits, schedules, appendices and attachments hereto and thereto (collectively, the "Contract Documents"):

2.2.1 All written modifications, amendments and change orders to this Agreement.

2.2.2 This Agreement, including all exhibits and attachments, executed by Owner and Design-Builder, including those below:

List of Exhibits

Exhibit A	Performance Guarantee Criteria
Exhibit B	General Project Scope
Exhibit C	Owner's Responsibilities
Exhibit D	ICM License Agreement
Exhibit E	Schedule of Values
Exhibit F	Progress Report
Exhibit G	Permits Required
Exhibit H	Form of Performance Bond
Exhibit I	Form of Payment Bond
Exhibit J	Work Schedule
Exhibit K	Preliminary Construction Documents
Exhibit L	Draw (Payment) Schedule
Exhibit M	Air Emissions Application or Permit
Exhibit N	Phase I and Phase II Engineering Services Agreement

2.2.3 Preliminary Construction Documents prepared by Design-Builder pursuant to Section 3.2.1 and the Construction Documents to be prepared by Design-Builder pursuant to Section 3.2.2 shall be incorporated in this Agreement.

2.3 Conflicting Provisions. In the event of any conflict or inconsistency between the body of this Agreement and any Exhibit or Schedule hereto, the terms and provisions of this Agreement, as amended from time to time, shall prevail and be given priority. Subject to the foregoing, the several documents and instruments forming part of this Agreement are to be taken as mutually explanatory of one another and in the case of ambiguities or discrepancies within or between such parts the same shall be explained and interpreted, if possible, in a manner which gives effect to each part and which avoids or minimizes conflicts among such parts. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 3
Design-Builder Responsibilities

3.1 Design-Builder's Services in General. Except for services and information to be provided by Owner and specifically set forth in Article 4 and Exhibit C, Design-Builder shall perform or cause to be performed all design, engineering, procurement, construction services, supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to complete construction of the Project consistent with the Contract Documents (the "Work"). All design and engineering and construction services and other Work of the Design-Builder shall be performed in accordance with (i) the Project Scope as set forth in Exhibit B, (ii) the Construction Documents, (iii) all Legal Requirements, and (iv) generally accepted construction and design-build standards of the fuel ethanol industry in the Midwest United States. Any design and engineering or other professional service to be performed pursuant to this Agreement, which under Applicable Law must be performed by licensed personnel, shall be performed by licensed personnel as required by Law. The enumeration of specific duties and obligations to be performed by the Design-Builder under the Contract Documents shall not be construed to limit in any way the general undertakings of the Design-Builder as set forth herein. Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder.

3.2 Design Development and Services.

3.2.1 As of the Effective Date, but in no event later than thirty (30) Days from the Effective Date, Design-Builder has or shall have provided to Owner the following documents, and any other documents reasonably agreed to by Design-Builder and Owner as applying to the conceptual design of the Project and required to apply for the construction air permit or completion of the Site layout in cooperation with Owner's rail engineer (collectively, the "Preliminary Construction Documents"), which shall be consistent with the Project Scope and once approved by Owner, shall be part of this Agreement:

a) major equipment lists, with sizes;

b) process flow diagram;

c) process design criteria and/or process description; and

d) Site layout.

Owner shall have thirty (30) Days from the date it receives the Preliminary Construction Documents to review and approve such documents. The Preliminary Construction Documents shall establish performance standards for the completed Project and identify components required to meet those performance standards. Any changes to the Preliminary Construction Documents shall be subject to the prior review and approval by Owner, such approval not to be unreasonably withheld or delayed.

3.2.2 Where required by Law, Design-Builder shall provide through qualified,licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals required to permit construction of the Work in accordance with this Agreement and the Preliminary Construction Documents (such drawings, specifications and design submittals collectively and together with the Preliminary Construction Documents, the "Construction Documents"). To the extent not prohibited by Legal Requirements, Design-Builder may prepare Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

3.2.3 Construction of the Plant shall be consistent with the Construction Documents.

3.2.4 Design-Builder shall maintain a current, complete set of drawings and specifications at the Site. Owner shall the right to review such drawings and specifications. Owner and Independent Engineer may not make copies of the available drawings and specifications without Design-Builder's written permission, and, granted such permission, may only do so to the extent such drawings and specifications directly pertain to the Plant; provided however that, pursuant to Section 5.1 of this Agreement, Design-Builder retains ownership of and property interests in any drawing or specifications made available and/or copied.

Except as provided elsewhere in this Agreement, it is understood and agreed that review, comment and/or approval by Owner (or its designees) or Independent Engineer of any documents or submittals that Design-Builder is required to submit to Owner (or its designees) or Independent Engineer hereunder for their review, comment and/or approval (including without limitation the Preliminary Construction Documents pursuant to Section 3.2.1 hereof or other Construction Documents pursuant to Sections 3.2.2 and 3.2.4 hereof) shall not relieve or release Design-Builder from any of its duties, obligations or liabilities provided for under the terms of this Agreement or transfer any design liability from Design-Builder to Owner.

3.3 Standard of Care. All services performed by the Design-Builder and its Subcontractors pursuant to the Construction Documents shall be performed in accordance with the standard of care and skill generally accepted in the fuel ethanol industry in the Midwest United States during the relevant time period or

in accordance with any of the practices, methods and acts that in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, safety and expedition. This standard of care is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the construction and design-build standards of the fuel ethanol industry in the Midwest United States. Design-Builder and its Subcontractors shall perform all construction activities efficiently and with the requisite expertise, skill, competence, resources and care to satisfy the requirements of the Contract Documents and all applicable Legal Requirements. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

3.4 Government Approvals and Permits. Except as identified in Exhibit C and, with respect to items identified as Owner's responsibility, in Exhibit G (which items shall be obtained by Owner pursuant to Section 4.5), Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project. Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

3.5 Subcontractors.

3.5.1 Design-Builder may subcontract portions of the Work in accordance with the terms hereof.

3.5.2 Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance and any costs or delay associated with such acts or omissions. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor, including but not limited to any third-party beneficiary rights.

3.5.3 Design-Builder shall coordinate the activities of all of Design-Builder's Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

3.5.4 Design-Builder shall ensure that each subcontract with a Subcontractor is assignable to Owner without consent of the Subcontractor or any other person or entity in the event that Design-Builder shall be in an uncured default or terminated with cause under the terms of this Agreement.

3.6 Maintenance of Site. Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or

portion of the Work, as applicable, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project for its intended use.

3.7 Project Safety.

3.7.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) any individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) any other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a representative (the "Safety Representative") with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

3.7.2 Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents; provided, that such Owner-specific requirements do not violate any applicable Legal Requirement. As promptly as practicable, Design-Builder will report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

3.7.3 Design-Builder's responsibility for safety under this Section 3.7 is not intended in any way to relieve Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.

3.8 Submission of Reports. Design-Builder shall provide Owner with regular communication regarding the progress ("Progress Report") and any revisions to the drawings and specifications of the Work, including whether (i) the Work is proceeding according to schedule, (ii) discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) health and safety issues exist in connection with the Work, and (iv) other items require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the contract time(s). Progress Reports shall be in the form of Exhibit F attached hereto and shall be included with each Application for Payment.

3.9 Training. At a mutually agreed time prior to start-up, Design-Builder shall provide two (2) weeks of training at a plant in Russell, Kansas (or other location) for all of Owner's employees required for the

operation and maintenance of the Plant in accordance with all design specifications therefor contained in the Contract Documents and necessary in order to maintain the Performance Guarantee Criteria, including operators, laboratory personnel, general, plant and maintenance managers. Other personnel of Owner may receive such off-site training by separate arrangement between Owner and Design-Builder and as time is available. All training personnel and costs associated with such training personnel, including labor and all training materials will be provided to Owner within the Contract Price at no additional cost. Owner will be responsible for all travel and expenses of their employees and the Owner will pay all wages and all other expenses for their personnel during the training. The training services will include training on computers, laboratory procedures, field operating procedures, and overall plant section performance expectations. Prior to the start-up training, Design-Builder shall provide Owner training manuals and operating manuals and other documents reasonably necessary for the start-up process.

Article 4
Owner's Responsibilities

4.1 Duty to Cooperate.

4.1.1 Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.

4.1.2 Owner shall provide timely review and approval of Preliminary Construction Documents subject to Section 3.2.1.

4.1.3 Owner shall pay all the reasonable costs incurred by Design-Builder for frost removal so that winter construction can proceed. Such costs may include but are not limited to, equipment costs, equipment rental costs, sheltering costs, special material costs, fuel costs and associated labor costs. Owner acknowledges and agrees that such costs are in addition to, and not included in, the Contract Price.

4.2 Furnishing of Services and Information.

4.2.1 Except as set forth in Schedule 4.2.1, as of the Effective Date, Owner has provided to Design-Builder, at its own cost and expense, for Design-Builder's information and use, the following, all of which Design-Builder is entitled to rely upon in performing the Work:

(a) surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;

(b) geotechnical studies describing subsurface conditions including soil borings, and other surveys describing other latent or concealed physical conditions at the Site;

(c) temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work;

(d) A legal description of the Site;

(e) to the extent available, as-built and record drawings of any existing structures at the Site;

(f) environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site;

(g) Owner's deliverables under Exhibit C; and

(h) the permits listed on Exhibit G that are described as "obtained".

Except for those items listed in Exhibit J ("Owner Milestones") Owner shall provide Design-Builder all items listed on Schedule 4.2.1 no later than 60 Days prior to the issuance of the Notice to Proceed.

4.2.2 Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work and that have been identified and notified in writing by Design-Builder to Owner prior to the Effective Date. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

4.3 Financial Information; Cooperation with Lenders; Failure to Obtain Financial Closing. Design-Builder acknowledges that Owner is seeking financing for the Project. Design-Builder agrees to cooperate with Owner in good faith in order to satisfy the requirements of Owners' financing arrangements, including, where appropriate, the execution and delivery of documents or instruments necessary to accommodate the Financial Closing. Owner agrees to pay all documented costs incurred by Design-Builder incurred prior to and at Financial Closing, and thereafter during the term of this Agreement, in connection with satisfying the requirements of Owners' financing arrangements including all documented attorney's fees, and Design-Builder shall provide written Notice to Owner prior to incurring such costs. Design-Builder and Owner also acknowledge that the Lenders, as a condition to providing financing for the Plant, shall require Owner to provide the Independent Engineer with certain participation and review rights with respect to Design-Builder's performance of the Work. Design-Builder acknowledges and agrees that such participation and review rights shall consist of the right to (i) enter the Site and inspect the Work upon

reasonable notice to Design-Builder; (ii) attend all start-up and testing procedures; and (iii) review and approve such other items for which Owner is required by Lenders to obtain the concurrence, opinion or a certificate of the Independent Engineer or the Lenders pursuant to the Financing Documents which items do not alter the rights or impose additional obligations on Design-Builder (collectively, the "Oversight Items"). Nothing in this Section 4.3 shall be deemed to require Design-Builder to agree to any amendments to this Agreement that would adversely affect Design-Builder's risks, rights or obligations under this Agreement. Upon Financial Closing, Owner shall promptly provide to Design-Builder an officer's certificate certifying that Financial Closing has occurred and such Owner's officer's certificate shall constitute evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill its obligations under the Contract Documents for all purposes hereunder. Owner must obtain Financial Closing prior to issuing the Notice to Proceed.

4.4 Owner's Representative. Owner's Representative, as set forth in Section 16.1 hereof, shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's Representative shall be vested with the authority to act on behalf of Owner and Design-Builder shall be entitled to rely on written communication from Owner's Representative with respect to a Project matter.

4.5 Government Approvals and Permits. Owner shall obtain and pay for all necessary Governmental Approvals required by Law, including permits, approvals, licenses, government charges and inspection fees set forth in Exhibit C and, to the extent identified as Owner's responsibility, Exhibit G. Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility pursuant to Exhibits G and Section 3.4.

4.6 Owner's Separate Contractors. Owner is responsible for all work, including such work listed on Exhibit C, performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

4.7 Security.

4.7.1 Owner shall be responsible for Site security (including fencing, alarm systems, security guarding services and the like) at all times during the term of this Agreement to prevent vandalism, theft and danger to the Project, the Site, and personnel. Owner shall coordinate and supervise ingress and egress from the Site so as to minimize disruption to the Work.

4.7.2 Design-Builder shall at all times conduct its operations in a manner to minimize the risk of loss, theft, or damage by vandalism, sabotage, or any other means. Design-Builder shall continuously inspect all

Work, materials, and equipment to discover and determine any conditions that might involve such risks and shall be solely responsible for discovery, determination, and correction of any such conditions.

Article 5
Ownership of Work Product; Risk of Loss

5.1 Work Product. All drawings, specifications, calculations, data, notes and other materials and documents, including electronic data furnished by Design-Builder to Owner under this Agreement ("Work Product") shall be instruments of service and Design-Builder shall retain the ownership and property interests therein, including the copyrights thereto.

5.2 Owner's Limited License Upon Payment in Full. Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy and repair of the Plant. Design-Builder acknowledges and agrees that the limited license to use the Work Product granted hereby shall provide Owner sufficient rights in and to the Work Product as shall be necessary for Owner to operate and maintain the Plant and shall include any Pass Through Warranties in connection therewith. Design-Builder shall provide Owner with a copy of the plans of the Plant, as built, (the "As Built Plans") conditioned on Owner's express understanding that its use of the Work Product and its acceptance of the As Built Plans is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"); provided, however, that any performance guarantees, and warranties (of equipment or otherwise) shall remain in effect according to the terms of this Agreement.

5.2.1 Owner shall be entitled to use the Work Product solely for purposes relating to the Plant, but shall not be entitled to use the Work Product for any other purposes whatsoever, including without limitation, expansion of the Plant. Notwithstanding the foregoing sentence, Owner shall be entitled to use the Work Product for the operation, maintenance and repair of the plant including the interconnection of, but not the design of, any future expansions to the Plant. The limited license granted to Owner under Sections 5.2, 5.3 or 5.4 to use the Work Product shall be limited by and construed according to the same terms contained in the ICM License Agreement between Owner and ICM, Inc., attached hereto as Exhibit D and incorporated herein by reference thereto, except (i) references in such ICM License Agreement to ICM and Proprietary Property shall refer to Design-Builder and Work Product, respectively, (ii) the Laws of the State of Minnesota shall govern such limited license, and (iii) the dispute resolution provisions contained in Article 19 hereof shall apply to any breach or threatened breach of Owner's duties or obligations under such limited license, except that Design-Builder shall have the right to seek injunctive relief in a court of competent jurisdiction against Owner or its Representatives for any such breach or threatened breach. Design-Builder is utilizing certain proprietary property and information of ICM, Inc., a Kansas corporation ("ICM"), in the design and construction of the Project, and Design-Builder may incorporate proprietary property and information of ICM into the Work Product. Owner's use of the proprietary property and

information of ICM shall be governed by the terms and provisions of the License Agreement between Owner and ICM, attached hereto as Exhibit D, to be executed by such parties in connection with the execution of this Agreement. This paragraph also applies to Articles 5.3 and 5.4 below.

5.3 Owner's Limited License Upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates the Project for its convenience as set forth in Section 15.3 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 15.5, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under this Agreement, grant Owner a limited license to use the Work Product to complete the Plant and subsequently occupy and repair the Plant, subject to the following:

(i) Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party; provided, however, that any Pass Through Warranties regarding equipment or express warranties regarding equipment provided by this Agreement shall remain in effect according to their terms; and

(ii) If the termination for convenience is by Owner in accordance with Section 15.3 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 15.5, then Owner agrees to pay Design-Builder the additional sum of One Million Two Hundred Fifty Thousand Dollars ($1,250,000.00) as compensation for the limited right to use the Work Product completed "as is" on the date of termination in accordance with this Article 5.

5.4 Owner's Limited License Upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 15.2 and (i) it is adjudged that Design-Builder was in default, and (ii) Owner has fully satisfied all of its obligations under the Contract Documents through the time of Design-Builder's default, then Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's completion and occupancy, operation and repair of the Plant. This limited license is conditioned on Owner's express agreement that its use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party; provided, however, that any Pass Through Warranties regarding equipment or express warranties regarding equipment provided by this Agreement shall remain in effect according to their terms. This limited license grants Owner the ability to repair the Plant at Owner's discretion.

5.5 Owner's Indemnification for Use of Work Product. If Owner uses the Work Product or Plant under any of the circumstances identified in this Article 5, to the fullest extent allowed by Law, Owner shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use of the Work Product and Plant; provided, however, that any Pass Through Warranties regarding equipment or express warranties regarding equipment provided by this Agreement shall remain in effect according to their terms.

5.6 Risk of Loss. Design-Builder shall have no liability for a physical loss of or damage to the Work unless such loss or damage is caused by Design-Builder or someone acting under its direction or control. Design-Builder shall not be liable for physical loss of or damage to the Work where such loss or damage is caused by the willful misconduct or gross negligence of Owner's employees or third parties who are not Subcontractors. Design-Builder shall have

no liability for losses or damages for which insurance coverage under this Agreement is available to Owner and for which proceeds have been paid; in such circumstances, Design Builder's liability for losses and damages as described in this Section 5.6 shall be limited to losses or damages which exceed insurance coverage available to the Owner and for which proceeds have been paid, without application of deductible, retention or retrospective premiums.

Article 6
Commencement and Completion of the Project

6.1 Work Schedule. The preliminary schedule for the execution of the Work is attached as Exhibit J hereto (the "Work Schedule"). The final schedule for execution of the Work shall be provided within thirty (30) Days after receipt of the Notice to Proceed. The Work Schedule provides the scheduled dates for the commencement and completion of the various stages of Work, including the dates when Owner's obligations are required to be complete to enable Design-Builder to achieve the contract time(s). The Work Schedule shall be revised as required by conditions and progress of the Work but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the contract time(s), unless such revisions to the Work Schedule are required as a result of any delay in the completion of Owner's obligations or as a result of a Force Majeure Event. In such event, the Work Schedule shall be revised to provide, without penalty to Design-Builder, a Day-for-Day extension of the contract time(s) for completion of the Work for each Day during which Owner's failure to complete its obligations or a Force Majeure Event causes such delay.

6.2 Phase I and Phase II Engineering. Owner and Design-Builder have entered into that certain Phase I and Phase II Engineering Services Agreement dated October 4, 2005, and attached hereto as Exhibit N. The Phase I and Phase II Engineering Services Agreement provides for Design-builder to commence work on the Phase I and Phase II engineering for the Project as set forth therein. Owner has agreed to pay Design-Builder ** Dollars ($**) for such engineering services pursuant to the terms of that agreement, the full amount of which shall be included in and credited to the Contract Price. Notwithstanding the foregoing sentence, if a Notice to Proceed is not issued pursuant to Section 6.3, or Financial Closing is not obtained pursuant to Section 4.3, then Design-Builder shall keep the full amount paid under the Phase I and Phase II Engineering Services Agreement as compensation for the services provided thereunder.

6.3 Notice to Proceed; Commencement. The Work shall commence within five (5) Days of Design-Builder's receipt of Owner's written valid notice to proceed ("Notice to Proceed") unless the parties mutually agree otherwise in writing. The parties agree that a valid Owner's Notice to Proceed cannot be given prior to March 1, 2006 unless prior to that date, Design-Builder has delivered a written notice to Owner informing Owner that Design-Builder is ready to accept a Notice to Proceed and to commence Work. The parties further agree that a valid Owner's Notice to Proceed cannot be given unless; **.

- ---------------
The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents. Design-Builder must receive a valid Owner's Notice to Proceed no later than 180 days from the Effective Date; otherwise, unless the failure to deliver a Notice to Proceed is due solely to the actions of Design-Builder, the Contract Price referred to in Section 9.1 shall be subject to a price increase, or this Agreement shall terminate, either at Design-Builder's sole option. If Design-Builder chooses to terminate this Agreement pursuant to its right under the immediately preceding sentence, then Design-Builder shall have no further obligations hereunder.

6.4 Project Start-Up and Testing. Owner shall provide, at Owner's cost, equipment, tools, instruments and materials necessary for Owner to comply with its obligations under Exhibit C, raw materials, consumables and personnel, necessary for start-up and testing of the Plant, and Design-Builder shall provide supervision, standard and special test instruments, tools, equipment and materials required to perform component and equipment checkout and testing, initial start-up, operations supervision and corrective maintenance of all permanent Plant equipment within the scope of the Work. Notwithstanding the foregoing sentence, Design-Builder shall be responsible for raw materials and consumables to the extent such amounts provided by Owner are destroyed or damaged (as opposed to consumed in the ordinary course of start-up and testing) by Design-Builder or its personnel during start-up and testing. Design-Builder shall supervise and direct Owner's personnel who shall participate in the start-up activities with Design-Builder's personnel to become familiar with all aspects of the Plant. Owner and the Independent Engineer may witness start-up and testing activities. Performance testing will be conducted in accordance with the provisions of Section 7.2 hereof.

6.5 Substantial Completion.

6.5.1 Substantial Completion of the entire Work shall be achieved no later than Four Hundred and Eighty Five (485) Days after the date of the Notice to Proceed, subject to adjustment in accordance with the Contract Documents hereof (the "Scheduled Substantial Completion Date").

6.5.2 "Substantial Completion" shall be deemed to occur on the date on which the Work is sufficiently complete so that Owner can occupy and use the Plant for its intended purposes. Substantial Completion shall be attained at the point in time when the Plant is ready to grind corn and begin operation for its intended use as a 50 MGY fuel ethanol production plant.

6.5.3 Procedures. Design-Builder shall notify Owner in writing when it believes Substantial Completion has been achieved with respect to the Work. Within five (5) Days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work to verify that it is substantially complete in accordance with the requirements of the Contract Documents. If such Work is deemed substantially complete, Design-Builder shall prepare and issue a "Certificate of Substantial Completion" for the Work that will set forth (i) the date of Substantial Completion, (ii) the remaining items of Work that have to be completed before Final Payment ("Punch List"), (iii) provisions (to the extent not already provided in this Agreement) establishing Owner's and Design-Builder's responsibility for the Project's security,

maintenance, utilities and insurance pending Final Payment, and (iv) an acknowledgment that warranties with respect to the Work commence on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion. Upon Substantial Completion of the entire Work and satisfaction of the Performance Guarantee Criteria listed in Exhibit A, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion, and less an amount equal to the value of any Subcontractor lien waivers not yet obtained.

(a) Owner, at its option, may use a portion of the Work prior to completion of the entire Work; provided, that (i) a Certificate of Substantial completion has been issued for the portion of Work addressing the items set forth in Section 6.5.3 above, (ii) Design-Builder and Owner have, to the extent required, obtained the consent of their sureties and insurers and the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work in accordance with the Contract Documents.

6.5.4 Early Completion Bonus. If Substantial Completion is attained within 485 Days after the date of the Notice to Proceed, Owner shall pay Design-Builder at the time of Final Payment under Section 10.3 hereof an early completion bonus ("Early Completion Bonus") of ** Dollars ($**) per Day for each Day that Substantial Completion occurred in advance of the Scheduled Substantial Completion Date. The Parties agree that no Early Completion Bonus shall be due to Design-Builder for any period during which the Plant is non-operational for more than twenty-four (24) consecutive hours.

6.5.5 In all events, payment of said bonus, if applicable, at the time of Final Payment is subject to release of funds by senior lender. If senior lender does not allow release of funds at the time of Final Payment to pay said early completion bonus in full, any unpaid balance shall be converted to an unsecured promissory note payable by Owner to Design-Builder, accruing interest at ten percent (10%). On each anniversary of the note, any unpaid accrued interest shall be converted to principal and shall accrue interest as principal thereafter. Owner shall pay said promissory note as soon as allowed by senior lender; in any event, the note, plus accrued interest, shall be paid in full before Owner pays or makes any distributions to or for the benefit of its owners (shareholders, members, partners, etc.). All payments shall be applied first to accrued interest and then to principal.

6.6 Final Completion.

6.6.1 Final Completion of the Work shall be achieved within Ninety (90) Days after the date of Substantial Completion.

- ---------------
The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Green Plains Renewable Energy, Inc.
January 13, 2006

6.6.2

6.6.3 "Final Completion" shall be achieved when the Owner reasonably determines that the following conditions have been met:

(a) Substantial Completion has been achieved;

(b) any outstanding amounts owed by Design-Builder to Owner have been paid in full;

(c) the items identified on the Punch List have been completed by Design-Builder;

(d) clean-up of the Site has been completed;

(e) all permits required to have been obtained by Design-Builder have been obtained;

(f) the information in Section 6.6.4 has been provided to Owner;

(g) certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents have been obtained;

(h) release and waiver of all claims and liens from Design-Builder and Subcontractors have been provided; and

(i) the Performance Tests have been successfully completed.

6.6.4 After receipt of a Final Application for Payment from Design-Builder, Owner shall make Final Payment in accordance with Section 10.3, less an amount equal to the value of any Subcontractor lien waivers not yet obtained.

6.6.5 At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

(a) an affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;

(b) a general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims for payment, additional compensation, or damages for delay, except those previously made to Owner in writing and remaining unsettled at the time of Final Payment provided such general release shall not waive defenses to claims that may be asserted by Owner after payment or claims arising after payment;

(c) consent of Design-Builder's surety, if any, to Final Payment; and

(d) a hard copy of the As Built Plans; provided, however, that such plans will remain the Work Product of the Design-Builder and subject in all respects to Article 5.

6.6.6 Upon making Final Payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing within one year after Substantial Completion, and (iii) the terms of any warranties required by the Contract Documents.

6.7 Post Completion Support. Adequate personnel to complete all Work within the Work Schedule will be maintained on-Site by Design-Builder or a Subcontractor until Final Completion has been achieved. In addition to prosecuting the Work until Final Completion has been achieved, Design-Builder or its Subcontractor will provide one month of on-Site operational support for Owner's personnel after successful completion of the Performance Tests and, from the date of Substantial Completion, will provide six (6) months of off-Site technical and operating procedure support by telephone and other electronic data transmission and communication.

Article 7
Performance Testing and Liquidated Damages

7.1 Performance Guarantee. The Design-Builder guarantees that the Plant will meet the performance criteria listed in Exhibit A (the "Performance Guarantee Criteria") during a performance test conducted and concluded pursuant to the terms hereof not later than Ninety (90) Days after the date of Substantial Completion. If there is a performance shortfall, Design-Builder will pay all design and construction costs associated with making the necessary corrections. Design-Builder retains the right to use its sole discretion in determining the method (which shall be in accordance with generally accepted construction and design-build standards of the fuel ethanol industry in the Midwest United States) to remedy any performance related issues.

7.1.1 If Owner, for whatever reason, prevents Design-Builder from demonstrating the Performance Guarantee Criteria within thirty (30) Days of Design-Builder's notice that the Plant is ready for Performance Testing, then Design-Builder shall be excused from demonstrating compliance with the Performance Guarantee Criteria during such period of time that Design-Builder is prevented from demonstrating compliance with the Performance Guarantee Criteria; provided however that Design-Builder will be deemed to have fulfilled all of its obligations to demonstrate that the Plant meets the Performance Guarantee Criteria should such period of time during which Design-Builder is prevented from demonstrating the Performance Criteria exceed thirty (30) Days or extend beyond Final Completion.

7.2 Performance Testing.

7.2.1 The Design-Builder shall direct and supervise the tests and, if necessary, the retests of the Plant using Design-Builder's supervisory personnel and the Air Emissions Tester shall conduct the air emissions test, in each case, in accordance with the testing procedures set forth in Exhibit A (the "Performance Tests"), to demonstrate, at a minimum, compliance with the Performance Guarantee Criteria. Design-Builder shall cooperate with the Air Emissions Tester to facilitate performance of all air emissions tests. To the extent that Owner's employees, or third parties that are not Subcontractors, are involved in the Performance Testing and conducting the Performance Tests pursuant to the direction of the Design-Builder, the failure of such third parties or Owner's employees to properly follow the directions of the Design-Builder in conducting the Performance Tests, except in instances of the willful misconduct or gross negligence of such third parties or Owner's employees, shall not relieve the Design-Builder of its obligation to meet the Performance Tests. Design-Builder shall not be held responsible for the willful misconduct or gross negligence of Owner's employees and third parties involved in the Performance Testing.

7.2.2 No later than thirty (30) Days prior to the earlier of the Scheduled Substantial Completion Date or Substantial Completion, Design-Builder shall provide to Owner for review a detailed testing plan for the Performance Tests (other than for air emissions). Owner and Design-Builder shall agree upon a testing plan that shall be consistent with the Performance Test Protocol contained in Exhibit A hereto. After such agreement has been reached, Design-Builder shall notify the Owner five (5) business days prior to the date Design-Builder intends to commence the Performance Tests and shall notify the Owner upon commencement of the Performance Tests. Owner and Independent Engineer each have the right to witness all testing, including the Performance Tests and any equipment testing, whether at the Site or at the Subcontractor's or equipment supplier's premises during the course of this Agreement. Notwithstanding the foregoing sentence, Owner shall bear the costs of providing a witness to any such testing and all such witnesses shall comply at all times with Design-Builder's, Subcontractor's or equipment supplier's safety and security procedures and other reasonable requirements, and otherwise conduct themselves in a manner that does not interfere with Design-Builder's, Subcontractor's or equipment supplier's activities or operations.

7.2.3 Design-Builder shall provide to Owner a performance test report (excluding results from air emissions testing), including all applicable test data, calculations and certificates indicating the results of the Performance Tests and, within five (5) business days of Owner's receipt of such results, Owner, Independent Engineer and Design-Builder will jointly inspect such Work and review the results of the Performance Tests to verify that the Performance Guarantee Criteria have been met. If Owner or Independent Engineer reasonably determines that the Performance Guarantee Criteria have not been met, Owner shall notify Design-Builder the reasons why Owner determined that the Performance Guarantee Criteria have not been met and Design-Builder shall promptly take such action or perform such additional work as will achieve the Performance Guarantee Criteria and shall issue to the Owner another notice in accordance with Section 7.2.2; provided however that if the notice relates to a retest, the notice may be provided no less than two (2) business days prior to the Performance Tests. Such procedure shall be repeated as necessary until Owner and Independent Engineer verifies that the Performance Guarantee Criteria have been met.

7.3 Liquidated Damages.

7.3.1 Design-Builder understands that if Final Completion is not attained by the Final Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Final Completion is not attained by the end of the Final Completion Date, Design-Builder shall pay Owner ** Dollars ($**) as liquidated damages, and not as a penalty, for each Day that Final Completion extends beyond the Final Completion Date. Owner, at its discretion, may elect to offset any such liquidated damages from any retainage. Liquidated damages shall be paid by Design-Builder by the 15th Day of the month following the month in which the liquidated damages were incurred. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, loss of profits, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which are occasioned solely by any delay in achieving Final Completion.

7.3.2 Maximum Liquidated Damages. Design-Builder's liability for liquidated damages under Section 7.3.1 shall be capped at and shall not exceed ** Dollars ($**).

7.3.3 The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, loss of profits, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which arise solely due to a delay in achieving Final Completion by the Final Completion Date; provided that such liquidated damages shall not in any way detract from or limit Owner's remedies or Design-Builder's liabilities in connection with any default by Design-Builder under Section 15.2 hereof.

7.3.4 Design-Builder shall not be liable for liquidated damages during any period of time for which an extension of the Scheduled Substantial Completion Date and/or Final Completion Date is available pursuant to Article 12.

7.4 Bonds and Other Performance Security.

7.4.1 On or prior to the date of Financial Closing the Design-Builder shall deliver to Owner a bond substantially in the form attached as Exhibit H (the "Performance Bond") in an initial amount equivalent to the Contract Price. Owner shall pay on the date of Financial Closing all costs of obtaining such bond, plus pay Design-Builder a fee of 7.5% for obtaining such bond, such fee to be calculated by multiplying 7.5% times the cost of the Performance Bond. Any amounts payable to the surety due to Design-Builder's default under this Agreement or the Performance Bond shall be for the account of Design-Builder.

(a) Design-Builder shall post additional bonds or security (which must be in form and substance satisfactory to Owner and the Lenders) or shall increase the amount of the Performance Bond by the amount of any

- ---------------
The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

increases to the Contract Price; provided, however, that Owner shall pay all costs of obtaining such bonds or security, plus pay Design-Builder a fee of 7.5% for obtaining such bonds or security, such fee to be calculated by multiplying 7.5% times the cost of the bonds or security.

(b) The Performance Bond shall secure the Design-Builder's obligations to complete the Work in accordance with this Agreement.

7.4.2 On or prior to the date of Financial Closing the Design-Builder shall deliver to Owner a bond substantially in the form attached as Exhibit I (the "Payment Bond") in an initial amount equivalent to the Contract Price. Owner shall pay on the date of Financial Closing all costs of obtaining such bond, plus pay Design-Builder a fee of 7.5% for obtaining such bond, such fee to be calculated by multiplying 7.5% times the cost of the Payment Bond but any amounts payable to the surety due to Design-Builder's default under this Agreement or the Payment Bond shall be for the account of Design-Builder.

(a) Design-Builder shall post additional bonds or security (which must be in form and substance reasonably satisfactory to Owner and the Lenders) or shall increase the amount of the Payment Bond by the amount of any increase to the Contract Price.

(b) The Payment Bond shall secure the Design-Builder's obligations to pay its Subcontractors, vendors and suppliers.

(c) The Payment Bond shall provide the conditions upon which Subcontractors, vendors and suppliers may draw upon such Payment Bond following Design-Builder's failure to pay amounts due such Subcontractors, vendors and suppliers.

Article 8
Warranties

8.1 Design-Builder Warranty. Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new, of good quality, in conformance with the Contract Documents and all Legal Requirements, free of defects in materials and workmanship. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work by persons other than Design-Builder or anyone for whose acts Design-Builder may be liable. Nothing in this warranty is intended to limit any Manufacturer's Warranty which provides Owner with greater warranty rights than set forth in this Section 8.1 or the Contract Documents. Design-Builder will provide to Owner all manufacturers' and Subcontractors' warranties upon the earlier of Substantial Completion or termination of this Agreement. Owner's failure to comply with all Operating Procedures shall void those guarantees, representations and warranties, whether expressed or implied, that were given by Design-Builder to Owner, concerning the

performance of the Plant that are reasonably determined by Design-Builder to be affected by such failure. If Design-Builder reasonably determines that all damage caused by such failure can be repaired and Owner makes all repairs needed to correct such damage, as reasonably determined by Design-Builder, all guarantees, representations and warranties shall be reinstated for the remaining term thereof, if any, from the date of the repair.

8.2 Correction of Defective Work.

8.2.1 Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 8.1, within a period of one year from the date of Substantial Completion of the Work; provided that such one-year period shall be extended one Day for any part of the Work that is found to be not in conformance with the Contract Documents for each Day that such part of the Work is not operating in conformity with the Contract Documents, including any time during which any part of the Work is repaired or replaced pursuant to this Article 8.

8.2.2 Design-Builder shall, within seven (7) Days of receipt of written notice from Owner that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and correction or replacement of any Work damaged by such nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) Day period or fails to continue to perform such steps through completion, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence or assume correction of such nonconforming Work and repair of such damaged Work with its own resources. If, following such written notice, Owner performs such corrective and repair Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing the correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) Day periods identified herein shall be inapplicable and Design-Builder shall immediately correct, remove or replace the nonconforming Work.

8.3 Warranty Period Not Limitation to Owner's Rights. The one-year period referenced in Section 8.2 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

Article 9
Contract Price

9.1 Contract Price. As full consideration to Design-Builder for full and complete performance of the Work and all costs incurred in connection therewith, Owner shall pay Design-Builder in accordance with the terms of Article 10, the sum of Fifty-five Million Eight Hundred Eighty One Thousand, Four Hundred Fifty Four Dollars ($55,881,454.00) ("Contract Price"), subject to adjustments made in accordance with Article 13. Owner acknowledges that it has taken no action which would impose a union labor or prevailing wage requirement on Design-Builder, Owner or the Project. The Parties acknowledge and agree that

if after the date hereof, an action of Owner, or a change in Applicable Law or a Governmental Authority acting pursuant to a change in Applicable Law, shall require Design-Builder to employ union labor or compensate labor at prevailing wages, the Contract Price shall be adjusted upwards to include any increased costs associated with such labor or wages.

Article 10
Payment Procedures

10.1 Mobilization Payment. As part of the Contract Price, Owner shall pay Design-Builder Five Million Dollars ($5,000,000.00) as soon as allowed by its organizational documents and any other agreements or Laws and at the latest, the date of the Notice to Proceed, as a mobilization fee. Said $5,000,000.00 mobilization fee payment shall be subject to retainage as provided by Section 10.2.7.

10.2 Progress Payments.

10.2.1 Application for Payment. On or before the twenty-fifth (25th) Day of each month beginning with the first month following the Notice to Proceed, Design-Builder shall submit to Owner its request for payment for all Work performed and not paid for during the previous Pay Period (the "Application for Payment"). Design-Builder shall submit to Owner, along with each Application for Payment, signed lien waivers received from Subcontractors and suppliers for the Work included in the Application for Payment submitted for the immediately preceding Pay Period and for which payment has been received.

10.2.2 The Application for Payment shall constitute Design-Builder's representation that the Work has been performed consistent with the Contract Documents and has progressed to the point indicated in the Application for Payment. Title to the Work shall pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon Design-Builder's receipt of payment therefor, or upon the incorporation of the Work into the Project, whichever occurs earlier

10.2.3 Within ten (10) Days after Owner's receipt of each properly submitted Application for Payment, Owner shall pay Design-Builder all amounts properly due, but in each case less the total of payments previously made, and less amounts properly withheld under this Agreement.

10.2.4 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project; provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance, and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances except for liens of the Lenders and other liens and encumbrances permitted under the Financing Documents.

10.2.5 Schedule of Values. Attached as Exhibit E is the "Schedule of Values" for all of the Work. The Schedule of Values (i) subdivides

the Work into its respective parts, (ii) includes values for all items comprising the Work, and (iii) serves as the basis for monthly progress payments made to Design-Builder throughout the Work.

10.2.6 Withholding of Payments. On or before the date set forth in Section 10.2.3, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment, it will notify Design-Builder in writing at least five (5) Days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 19. Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

10.2.7 Retainage on Progress Payments. Owner will retain ten percent (10%) of each payment up to a maximum of $2,794,073.00 aggregate amount. Once $2,794,073.00 aggregate amount has been retained, in total, Owner will not retain any additional amounts from any subsequent payments. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project. Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.5, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to 200% of the reasonable value of all remaining or incomplete items of Work and less an amount equal to the value of any Subcontractor lien waivers not yet obtained, as noted in the Certificate of Substantial Completion, provided that such payment shall only be made if Design-Builder has met the Performance Guarantee Criteria listed in Exhibit A.

10.3 Final Payment. Design-Builder shall deliver to Owner a request for final payment (the "Final Application for Payment") when Final Completion has been achieved in accordance with Section 6.6. Owner shall make final payment within thirty (30) Days after Owner's receipt of the Final Application for Payment ("Final Payment").

10.4 Failure to Pay Amounts Due.

10.4.1 Interest. Payments which are due and unpaid by Owner to Design-Builder, whether progress payments or Final Payment, shall bear interest commencing five (5) Days after payment is due at the rate of Ten Percent (10%) per annum, or the maximum rate allowed by Law, whichever is lower.

10.4.2 Right to Suspend Work. If Owner fails to pay Design-Builder any undisputed amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 15.4 hereof. All payments properly due and unpaid shall bear interest at the rate set forth in Section 10.4.1.

10.5 Design-Builder's Payment Obligations. Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from

Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 14.2 hereof.

10.6 Record Keeping and Finance Controls. With respect to changes in the Work performed on a cost basis by Design-Builder pursuant to the Contract Documents, Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access from time to time, upon reasonable notice, to Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to changes in the Work performed on a cost basis in accordance with the Contract Documents, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment.

Article 11
Hazardous Conditions and Differing Site Conditions

11.1 Hazardous Conditions.

11.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and as promptly as practicable notify Owner and, if Design-Builder is specifically required to do so by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site. Design-Builder shall not remove, remediate or handle in any way (except in case of emergency) any Hazardous Conditions encountered at the Site without prior written approval of Owner.

11.1.2 Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining Qualified Independent Experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner is required under applicable Legal Requirements to take with respect to such Hazardous Conditions in order for the Work to proceed. Owner's choice of such Qualified Independent Experts shall be subject to the prior approval of Design-Builder, which approval shall not be unreasonably withheld or delayed.

11.1.3 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's Qualified Independent Expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless, and (ii) all necessary approvals have been obtained from all government entities having jurisdiction over the Project or Site and a remediation plan has been undertaken permitting the Work to proceed.

11.1.4 Design-Builder will be entitled, in accordance with this Article 11, to an adjustment in its Contract Price and/or contract time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions, provided that such Hazardous Materials were not introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

11.1.5 To the fullest extent permitted by Law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly for any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

11.1.6 Notwithstanding the preceding provisions of this Section 11.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable. Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

11.2 Differing Site Conditions; Inspection.

11.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) differ from the conditions indicated in the Contract Documents, or (ii) are of an unusual nature, differing from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or contract time(s) to the extent Design-Builder's cost and/or time of performance are materially adversely impacted by the Differing Site Condition.

11.2.2 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later than fourteen (14) business days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

Article 12
Force Majeure; Change in Legal Requirements

12.1 Force Majeure Event. Shall mean a cause or event beyond the reasonable control of, and without the fault or negligence of a Party claiming Force Majeure, including, without limitation, an emergency, floods, earthquakes, hurricanes, tornadoes, adverse weather conditions not reasonably anticipated or acts of God; sabotage; vandalism beyond that which could reasonably be prevented by a Party claiming Force Majeure; terrorism; war; riots; fire; explosion; blockades; insurrection; strike; slow down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group);

economic hardship or delay in the delivery of materials or equipment that is beyond the control of a Party claiming Force Majeure, and action or failure to take action by any Governmental Authority after the Effective Date (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by such Governmental Authority), but only if such requirements, actions, or failures to act prevent or delay performance; and inability, despite due diligence, to obtain any licenses, permits, or approvals required by any Governmental Authority (any such event, a "Force Majeure Event").

12.2 Effect of Force Majeure Event. Neither party shall be considered in default in the performance of any of the obligations contained in the Contract Documents, except for the Owners or the Design-Builder's obligations to pay money (including but not limited to, Progress Payments and payments of liquidated damages which become due and payable with respect to the period prior to the occurrence of the Force Majeure Event), when and to the extent the failure of performance shall be caused by a Force Majeure Event. If either party is rendered wholly or partly unable to perform its obligations under the Contract Documents because of a Force Majeure Event, such party will be excused from performance affected by the Force Majeure Event to the extent and for the period of time so affected; provided that:

(a) the nonperforming party, within forty-eight (48) hours after the nonperforming party actually becomes aware of the occurrence and impact of the Force Majeure Event, gives the other party written notice describing the event or circumstance in detail, including an estimation of its expected duration and probable impact on the performance of the affected party's obligations hereunder, and continues to furnish timely regular reports with respect thereto during the continuation of and upon the termination of the Force Majeure Event;

(b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;

(c) the obligations of either party that arose before the occurrence causing the suspension of performance and the performance that is not prevented by the occurrence, shall not be excused as a result of such occurrence;

(d) the nonperforming party uses its best efforts to remedy its inability to perform and mitigate the effect of such event and resumes its performance at the earliest practical time after cessation of such occurrence or until such time that performance is practicable;

(e) when the nonperforming party is able to resume performance of its obligations under the Contract Documents, that party shall give the other party written notice to that effect; and

(f) Design-Builder shall be entitled to a Day for Day time extension for those events set forth in Section 12.1 to the

extent the occurrence of such event delayed Design-Builder's performance of its obligations under this Agreement.

12.3 Change in Legal Requirements. The Contract Price and/or the contract time(s) shall be adjusted to compensate Design-Builder for the effects of any changes to the Legal Requirements that occur after the date of this Agreement and as a result of such change, the performance of the Work is adversely affected. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

12.4 Effect of Construction Cost Index Increase on Contract Price. If between the Effective Date and the date on which a Notice to Proceed is given to Design-Builder the Construction Cost Index published by Engineering News-Record Magazine ("CCI") increases greater than Five Percent (5%) over the Baseline Index established in Section 12.4.1, Design-Builder shall notify Owner in writing that it is adjusting the Contract Price.

12.4.1 The Baseline Index "Baseline Index" for this Agreement shall be 7646.87.

12.4.2 In the event that the CCI as of the date on which the Notice to Proceed is given increases greater than Five Percent (5%) over the Baseline Index, the Contract Price shall be adjusted to reflect such increase over Five Percent (5%), but only with respect to those Applications for Payment submitted after the date on which written notice of the adjustment in Contract Price is given.

12.4.3 Payment for any adjustment in the Contract Price as a result of this Section 12.4 shall be made in accordance with the terms of this Agreement.

Article 13
Changes to the Contract Price and Scheduled Completion Dates

13.1 Change Orders.

13.1.1 A change order ("Change Order") is a written instrument issued after execution of this Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

(a) the scope of the change in the Work;

(b) the amount of the adjustment to the Contract Price; and

(c) the extent of the adjustment to the contract time(s).

13.1.2 All changes in the Work authorized by an applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes. Prior to

incurring any costs with respect to estimating services, design services and any other services involved in the preparation of the proposed revisions to the Contract Documents, Design-Builder must obtain the written approval of Owner for such costs.

13.1.3 If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and any other services involved in the preparation of proposed revisions to the Contract Documents; provided that such costs were previously approved by Owner pursuant to Section 13.1.2.

13.2 Contract Price Adjustments.

13.2.1 The increase or decrease in Contract Price resulting from a change in the Work shall be a mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner.

13.2.2 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 19 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed, and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (x) such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services, and (y) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

13.3 Emergencies. In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss and shall notify the Owner as soon as practicable and in any event within forty-eight (48) hours after Design-Builder becomes aware of the emergency. The notice to Owner shall describe the emergency in detail, including a reasonable estimation of its expected duration and impact, if any, on the performance of Design-Builder's obligations hereunder. Any change in the Contract Price and/or the contract time(s) on account of emergency work shall be determined as provided in this Article 13.

13.4 Requests for Contract Adjustments and Relief. If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with the notice requirements contained in Section 21.7. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) Days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

Article 14
Indemnity

14.1 Tax Claim Indemnification. If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive.

14.2 Payment Claim Indemnification. To the extent Design-Builder has received payment for the Work, Design-Builder shall indemnify, defend and hold harmless Owner Indemnified Parties from any claims or mechanic's liens brought against Owner Indemnified Parties or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) business days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge such claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

14.3 Design-Builder's General Indemnification.

14.3.1 Design-Builder, to the fullest extent permitted by Law, shall indemnify, hold harmless and defend Owner, Lenders, Lenders' Agent, and their successors, assigns, officers, directors, employees and agents ("Owner Indemnified Parties") from and against any and all losses, costs, damages, injuries, liabilities, claims, demands, penalties, interest and causes of action, including without limitation attorney's fees (collectively, the "Damages") for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent or intentionally wrongful acts or from omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

14.3.2 If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner Indemnified Parties, Design-Builder's indemnity obligation set forth in Section 14.3.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

14.3.3 Without limiting the generality of Section 14.3.1 hereof, Design-Builder shall fully indemnify, save harmless and defend the Owner Indemnified Parties from and against any and all Damages in favor of any governmental authority or other third party to the extent caused by (a) failure of Design-Builder or any Subcontractor to comply with Legal Requirements as required by this Agreement, or (b) failure of Design-Builder or any Subcontractor to properly administer and pay any taxes or fees required to be paid by Design-Builder under this Agreement.

14.3.4 Nothing in the Design-Builder's General Indemnification contained in this Section 14.3 shall be read to limit in any way any entitlement Design-Builder shall have to insurance coverage under any insurance policy, including any insurance policy required by either Party under this Agreement.

14.4 Owner's General Indemnification. Owner, to the fullest extent permitted by Law, shall indemnify, hold harmless and defend Design-Builder and any of Design-Builder's officers, directors, employees, or agents from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Owner, its officers, directors, employees, agents, or anyone for whose acts any of them may be liable.

14.4.1 Without limiting the generality of Section 14.4 hereof, Owner shall fully indemnify, save harmless and defend the Design-Builder and any of Design-Builder's officers, directors, employees, or agents from and against any and all Damages in favor of any governmental authority or other third party to the extent caused by (a) failure of Owner or any of Owner's agents to comply with Legal Requirements as required by this Agreement, or (b) failure of Owner or Owner's agents to properly administer and pay any taxes or fees required to be paid by Owner under this Agreement.

14.4.2 Nothing in the Owner's General Indemnification contained in this Section 14.4 shall be read to limit in any way any entitlement Design-Builder shall have to insurance coverage under any insurance policy, including any insurance policy required by either Party under this Agreement.

Article 15
Stop Work; Termination for Cause

15.1 Owner's Right to Stop Work. Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive Days or aggregate more than ninety (90) Days during the duration of the Project. Design-Builder is entitled to seek an adjustment of the Contract Price and/or the contract time(s) if its cost or time to perform the Work has been adversely impacted by any suspension or stoppage of work by Owner.

15.2 Owner's Right to Perform and Terminate for Cause.

15.2.1 If (i) Design-Builder persistently fails to provide a sufficient number of skilled workers; (ii) Design-Builder persistently fails to supply the materials required by the Contract Documents; (iii) Design-Builder persistently fails to comply with applicable Legal Requirements; (iv) Design-Builder persistently fails to timely pay, without cause, Design Consultants or Subcontractors; (v) Design-Builder fails to perform the Work with promptness and diligence to ensure that the Work is completed by the contract time(s), as such times may be adjusted in accordance with this Agreement; (vi) Design-Builder fails to perform material obligations under the Contract Documents; (vii) Design-Builder persistently fails to maintain insurance in accordance with the provisions of Article 17 hereof; (viii) a default occurs under the Performance Bond or the Payment Bond, or the Performance Bond or Payment Bond is revoked or terminated, or the surety under the Performance Bond or Payment Bond institutes or has instituted against it a case under the United States Bankruptcy Code, (ix) Design-Builder purports to make an assignment of this Agreement in breach of the provisions of Section 20.1 hereof, or (xi) any representation or warranty made by Design-Builder under Section 18.1 hereof was false or materially misleading when made, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law or equity, shall have the rights set forth in Sections 15.2.2 and 15.2.3 below.

15.2.2 Upon the occurrence of an event set forth in Section 15.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured within seven (7) Days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure such problem and thereafter diligently pursue such cure to completion, then Owner may give a second written notice to Design-Builder of its intent to terminate following an additional seven (7) Day period. If Design-Builder, within such second seven (7) Day period, fails to cure, or reasonably commence to cure such problem and thereafter diligently pursue such cure to completion, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

15.2.3 Upon declaring the Agreement terminated pursuant to Section 15.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials,

equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, Design-Builder will be paid promptly by Owner for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to promptly pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expenses, including attorneys' fees and expenses, incurred by Owner in connection with the re-procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 19.4 hereof.

15.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Section 15.3.

15.3 Owner's Right to Terminate for Convenience.

15.3.1 Upon ten (10) Days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

(a) to the extent not already paid, all Work executed, and for proven loss, cost or expense in connection with the Work;

(b) the reasonable costs and expenses attributable to such termination, including demobilization costs;

(c) amounts due in settlement of terminated contracts with Subcontractors and Design Consultants;

(d) overhead and profit margin in the amount of fifteen percent (15%) on the sum of items (a) and (b) above; and

(e) all retainage withheld by Owner on account of Work that has been completed in accordance with the Contract Documents.

15.3.2 If Owner terminates this Agreement pursuant to this Section 15.3 and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 5.3.

15.4 Design-Builder's Right to Stop Work.

15.4.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at Law, stop work for Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

15.4.2 If any of the events set forth in Section 15.4.1 above occur, Design-Builder has the right to stop work by providing written notice to Owner that Design-Builder will stop work unless such event is cured within seven (7) Days from Owner's receipt of Design-Builder's notice. If Owner fails to cure or reasonably commence to cure such problem and thereafter diligently pursue such cure to completion, then Design-Builder may give a second written notice to Owner of its intent to stop work within an additional seven (7) Day period. If Owner, within such second seven (7) Day period, fails to cure, or reasonably commence to cure such problem and thereafter diligently pursue such cure to completion, then Design-Builder may stop work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and contract time(s) to the extent it has been adversely impacted by such stoppage.

15.5 Design-Builder's Right to Terminate for Cause.

15.5.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by Law, may terminate the Agreement for cause for the following reasons:

(a) The Work has been stopped for sixty (60) consecutive Days, or more than ninety (90) Days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 15.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder, Design Consultant and their respective officers, agents, employees, Subcontractors or any other person for whose acts the Design-Builder may be liable under Law.

(b) Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive Days, or more than ninety (90) Days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 15.1 hereof.

(c) Owner fails to meet its obligations under Exhibit C and such failure results in the Work being stopped for sixty (60) consecutive Days, or more than ninety (90) Days during the duration of the Project even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 15.1 hereof.

(d) Owner's failure to cure the problems set forth in Section 15.4.1 above within seven (7) Days after Design-Builder has stopped the Work.

15.5.2 Upon the occurrence of an event set forth in Section 15.5.1 above, Design-Builder may elect to terminate this Agreement by providing written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured within seven (7) Days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) Day period. If Owner, within such second seven (7) Day period, fails to cure such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to

Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Section 15.3.

15.6 Bankruptcy of Owner or Design-Builder.

15.6.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

(a) The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future obligations under the Contract Documents, which assurances shall be provided within ten (10) Days after receiving notice of the request; and

(b) The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) Days of the institution of the bankruptcy filing and shall diligently prosecute such action.

15.6.2 If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 15.

15.6.3 The rights and remedies under this Section 15.6 shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by Law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of this Agreement.

15.7 Lenders' Right to Cure. At any time after the occurrence of any event set forth in Section 15.4.1 or Section 15.5.1, the Lenders shall have the right, but not the obligation, to cure such default on behalf of Owner.

Article 16
Representatives of the Parties

16.1 Designation of Owner's Representatives. Owner designates the individual listed below as its senior representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Article 19:

Barry Ellsworth
President
9635 Irvine Bay Ct.
Las Vegas, NV 89147

Telephone: 712.246.2932
Facsimile: 712.246.2610
email: b.ellsworth@gpreethanol.com

Owner designates the individual listed below as its representative ("Owner's Representative"), which individual has the authority and responsibility set forth in Section 4.4:

Barry Ellsworth
President
9635 Irvine Bay Ct.
Las Vegas, NV 89147
Telephone: 712.246.2932
Facsimile: 712.246.2910
email: b.ellsworth@gpreethanol.com

16.2 Designation of Design-Builder's Representatives. Design-Builder designates the individual listed below as its senior representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Article 19:

Roland "Ron" Fagen
CEO and President
501 W. Highway 212
P.O. Box 159
Granite Falls, MN 56241
Telephone: (320) 564-3324
Facsimile: (320) 564-3278
email: dwilson@fageninc.com

Design-Builder designates the individual listed below as its representative ("Design-Builder's Representative"), which individual has the authority and responsibility set forth in Section 3.1:

Aaron Fagen
Chief Operating Officer
501 W. Highway 212
P.O. Box 159
Granite Falls, MN 56241
Telephone: (320) 564-3324
Facsimile:
email:

Article 17
Insurance

17.1 Insurance. Design-Builder shall procure and maintain in force through the Final Completion Date the following insurance coverages with the policy limits indicated, and otherwise in compliance with the provisions of this Agreement:

Commercial General Liability:

General Aggregate	
Products-Comp/Op AGG	$ 2,000,000
Personal & Adv Injury	$ 1,000,000
Each Occurrence	$ 1,000,000
Fire Damage (Any one fire)	$ 50,000
Med Exp (Any one person)	$ 5,000

Automobile Liability:

Combined Single Limit	
Each Occurrence	$ 1,000,000

Excess Liability - Umbrella Form:

Each Occurrence	$ 20,000,000
Aggregate	$ 20,000,000

Workers' Compensation

Statutory limits as required by the state in which the Work is performed.

Employers' Liability:

Each Accident	$ 1,000,000
Disease-Policy Limit	$ 1,000,000
Disease-Each Employee	$ 1,000,000

Professional Errors and Omissions

Per Claim	$ 5,000,000
Annual	$ 5,000,000

17.2 Design-Builder's Insurance Requirements.

17.2.1 Design-Builder is responsible for procuring and maintaining from insurance companies authorized to do business in the state in which the Project is located, and with the minimum rating set forth below, the

following insurance coverages for certain claims which may arise from or out of the performance of the Work and obligations under the Contract Documents:

(a) coverage for claims arising under workers' compensation, disability and other similar employee benefit Laws applicable to the Work;

(b) coverage for claims by Design-Builder's employees for bodily injury, sickness, disease, or death;

(c) coverage for claims by any person other than Design-Builder's employees for bodily injury, sickness, disease, or death;

(d) coverage for usual personal injury liability claims for damages sustained by a person as a direct or indirect result of Design-Builder's employment of the person, or sustained by any other person;

(e) coverage for claims for damages (other than to the Work) because of injury to or destruction of tangible property, including loss of use;

(f) coverage for claims of damages because of personal injury or death, or property damage resulting from ownership, use and maintenance of any motor vehicle; and

(g) coverage for contractual liability claims arising out of Design-Builder's obligations under Section 14.2.

17.2.2 Design-Builder's liability insurance required by this Section 17.2 shall be written for the coverage amounts set forth in Section 17.1 and shall include completed operations insurance for the period of time set forth in the Agreement. Such coverage shall be maintained with insurance companies authorized to do business in the State of Iowa with Best Insurance Reports rating of "A-" or better and financial size category of "IX" or higher.

17.2.3 Design-Builder's liability insurance set forth in Sections 17.2.1 (a) through (g) above shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

17.2.4 To the extent Owner requires Design-Builder or any Design Consultant to provide professional liability insurance for claims arising from the negligent performance of design services by Design-Builder or the Design Consultant, the coverage limits, duration and other specifics of such insurance shall be as set forth in the Agreement. Any professional liability shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project. Such policies shall be provided prior to the commencement of any design services hereunder.

17.2.5 Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the

Contract Documents; and (ii) no insurance coverage required hereunder will be canceled, renewal refused, or changed unless at least thirty (30) Days prior written notice is given to Owner. The insurance obtained by Design-Builder shall include Owner as an additional insured.

17.3 Owner's Liability Insurance. Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance to protect Owner from claims which may arise from the performance of Owner's obligations under the Contract Documents or Owner's conduct during the course of the Project. The general and professional liability insurance obtained by Owner shall name Design-Builder, Design Consultants, Subcontractors, the Lenders and Lenders' Agent as additional insureds, without application of deductible, retention or retrospective premiums as to the additional insureds.

17.4 Owner's Property Insurance.

17.4.1 Unless otherwise provided in the Contract Documents, Owner shall procure from insurance companies authorized to do business in the state in which the Project is located, and maintain through Final Completion, property insurance upon the entire Project in a minimum amount equal to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Owner shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants, Subcontractors, the Lenders and Lenders' Agent and shall insure against the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents and without application of any deductible, retention or retrospective premium. Owner shall maintain coverage equal to or in excess of the value of each of Design-Builder's, Design Consultants', and Subcontractors' property on the Site. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner.

17.4.2 Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include as additional insureds the Owner, Design-Builder, Design Consultants, and Subcontractors, in an amount not less than the Contract Price and without application of any deductible, retention or retrospective premium as to the additional insureds. Owner shall maintain coverage equal to or in excess of the value of each of Design-Builder's, Design Consultants', and Subcontractors' interest or investment in boiler or machinery equipment on the Site.

17.4.3 Prior to Design-Builder commencing any Work, Owner shall obtain a builder's risk insurance policy naming Owner as the insured, with Design-Builder, Design Consultants and Subcontractors as additional insureds, in an amount not less than the Contract Price and without application of deductible, retention or retrospective premium as to the additional insureds.

17.4.4 Owner shall also obtain, prior to Design-Builder commencing any Work, terrorism coverage as described by the Terrorism Risk

Insurance Act of 2002, Pub. L. No. 107-297, 116 Stat. 2322 (2002) or any successor act or renewing act for the period during which the Terrorism Risk Insurance Act or any successor act or renewing act is in effect.

17.4.5 Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with copies of the insurance certificates reflecting coverages required under this Section 17.4 evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received Final Payment from Owner, and (ii) no insurance coverage will be canceled, renewal refused, or changed unless at least thirty (30) Days prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be cancelled if Owner occupies a portion of the Work pursuant to Section 6.5.3. Promptly after Owner's receipt thereof, Owner shall be required to provide Design-Builder, for Design-Builder's possession, copies of all insurance policies to which Design-Builder, Design Consultant, and Subcontractors are named as additional insureds. In the event Owner replaces insurance providers for any policy required under this Section, revises policy coverages, or otherwise modifies any applicable insurance policy in any way, Owner shall provide Design-Builder, for its review or possession as provided under this subsection 17.4.5, the certificate of insruance and a copy of such new, revised or modified policy.

17.4.6 Any loss covered under Owner's property insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 19 hereof.

17.4.7 Owner and Design-Builder waive against each other and Owner's separate contracts, Design Consultants, Subcontractors, agents and employees of each and all of them all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants Subcontractors, and insurance providers and shall require each of them to include similar waivers in their contracts or policies.

17.5 Coordination with Loan Documents. Notwithstanding anything herein to the contrary, all provisions relating to insurance and insurance proceeds shall be conformed to the requirements of the Lenders in connection with any financing.

Article 18
Representations and Warranties

18.1 Design-Builder and Owner Representations and Warranties. Each of Design-Builder and Owner represents that:

(i) it is duly organized, validly existing and in good standing under the Laws of its formation and has all requisite power

and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby;

(ii) this Agreement has been duly executed and delivered by such party and constitutes the legal, valid and binding obligations of such party, enforceable against such party in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or similar Laws affecting creditor's rights or by general equitable principles;

(iii) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or violate (a) the certificate of incorporation or bylaws or equivalent organizational documents of such party, or (b) any Law applicable to such party and other than the permits listed on Exhibit G, such execution, delivery and performance of this Agreement does not require any governmental approval; and

(iv) there is no action pending or, to the knowledge of such party, threatened, which would hinder, modify, delay or otherwise adversely affect such party's ability to perform its obligations under the Contract Documents.

18.2 Design-Builder Representations and Warranties. Design-Builder further represents that it has the necessary financial resources to fulfill its obligations under this Agreement.

Article 19
Dispute Resolution

19.1 Dispute Avoidance and Mediation. The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative.

If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) Days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

If, after meeting, the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit the dispute or disagreement to non-binding mediation. The mediation shall be conducted in Minneapolis, Minnesota by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association ("AAA") pursuant to its Construction Industry Arbitration Rules and Mediation Procedures. The mediation will be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator.

19.2 Arbitration. Any claims, disputes or controversies between the parties arising out of or relating to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 19.1 above shall be decided by arbitration to be conducted in Minneapolis, Minnesota in accordance with the Construction Industry Arbitration Rules and Mediation Procedures of the AAA then in effect, unless the parties mutually agree otherwise.

The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with Applicable Law by any court having jurisdiction thereof.

Design-Builder and Owner expressly agree that any arbitration pursuant to this Section 19.2 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project to require such joinder or consolidation.

The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party.

19.3 Duty to Continue Performance. Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Design-Builder, pending the final resolution of any dispute or disagreement between Design-Builder and Owner.

19.4 Consequential Damages.

19.4.1 Notwithstanding anything herein to the contrary (except as set forth in Section 19.4.2 below), neither Design-Builder nor Owner shall be liable to the other for any consequential losses or damages, whether arising in contract, warranty, tort (including negligence), strict liability or otherwise, including but not limited to, losses of use, profits, business, reputation or financing, except that Design-Builder does not waive any such damages resulting from or arising out of any breach of Owner's duties and obligations under the limited license granted by Design-Builder to Owner pursuant to Article 5.

19.4.2 The consequential damages limitation set forth in Section 19.4.1 above is not intended to affect the payment of liquidated damages, if any, set forth in Section 7.3 of the Agreement, which both parties recognize has been established, in part, to reimburse Owner for some damages that might otherwise be deemed to be consequential.

Article 20
Confidentiality of Shared Information

20.1 Non-Disclosure Obligation. Except as required by court order, subpoena, or Applicable Law, neither party shall disclose to third parties any confidential or proprietary information regarding the other party's business affairs, finances, technology, processes, plans or installations, product information, know-how, or other information that is received from the other party pursuant to this Agreement or the parties' relationship prior thereto or is developed pursuant to this Agreement, without the express written consent of the other party, which consent shall not be unreasonably withheld. The parties shall at all times use their respective reasonable efforts to keep all information regarding the terms and conditions of this Agreement confidential and shall disclose such information to third persons only as reasonably required for the permitting of the Project; financing the development, construction, ownership, operation and maintenance of the Plant; or as reasonably required by either party for performing its obligations hereunder and if prior to such disclosure, the disclosing party informs such third persons of the existence of this confidentiality obligation and only if such third persons agree to maintain the confidentiality of any information received. This Article 20 shall not apply to information that was already in the possession of one party prior to receipt from the other, that is now or hereafter becomes a part of the public domain through no fault of the party wishing to disclose, or that corresponds in substance to information heretofore or hereafter furnished by third parties without restriction on disclosure.

20.2 Publicity and Advertising. Neither Owner nor Design-Builder shall make or give permission to any of their subcontractors, agents, or vendors to make any external announcement or publication, release any photographs or information concerning the Project or any part thereof, or make any other type of communication to any member of the public, press, business entity, or any official body which names the other Party unless prior written consent is obtained from the other Party, which consent shall not be unreasonably withheld.

20.3 Term of Obligation. The confidentiality obligations of the Parties pursuant to this Article 20 shall survive the expiration or other termination of this Agreement for a period of two (2) years.

Article 21
Miscellaneous

21.1 Assignment This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors and permitted assigns of the parties, except that neither Design-Builder nor Owner shall, without the written consent of the other, assign or transfer this Agreement or any of the Contract Documents. Design-Builder's subcontracting portions of the Work in accordance with this Agreement shall not be deemed to be an assignment of this

Agreement. Owner may assign all of its rights and obligations under the Contract Documents to its Lenders or Lenders' Agent as collateral security in connection with Owner obtaining or arranging any financing for the Project; provided, however, Owner shall deliver, at least ten (10) Days prior to any such assignment, to Design-Builder (i) written notice of such assignment and (ii) a copy of the instrument of assignment. The Lenders or Lenders' Agent may assign the Contract Documents or their rights under the Contract Documents, including without limitation in connection with any foreclosure or other enforcement of their security interest. Design-Builder shall execute, if requested, a consent to assignment for the benefit of the Lenders and/or the Lenders' Agent, provided that with respect to any such assignments such assignee demonstrates to Design-Builder's satisfaction that it has the capability to fulfill Owner's obligations under this Agreement.

21.2 Successors. Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

21.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with, the substantive laws of the state of Minnesota, without regard to the conflict of laws provisions thereof.

21.4 Severability. If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

21.5 No Waiver. The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

21.6 Headings. The table of contents and the headings used in this Agreement or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit, define, extend, describe, alter, or otherwise affect the scope or the meaning of any provision of this Agreement.

21.7 Notice. Whenever the Contract Documents require that notice be provided to a party, notice shall be delivered in writing to such party at the address listed below. Notice will be deemed to have been validly given if delivered (i) in person to the individual intended to receive such notice, (ii) by registered or by certified mail, postage prepaid to the address indicated in the Agreement within four (4) Days after being sent, or (iii) by facsimile, by the time stated in a machine-generated confirmation that notice was received at the facsimile number of the intended recipient.

If to Design-Builder, to:

Fagen, Inc.
501 W. Highway 212
P. O. Box 159
Granite Falls, MN 56241
Attention: Aaron Fagen
Fax: (320) 564-3278

with a copy to:

Fagen, Inc.
501 W. Highway 212
P. O. Box 159
Granite Falls, MN 56241
Attention: Jennifer Johnson
Fax: (320) 564-3278

If to Owner, to:

Barry Ellsworth
President
9635 Irvine Bay Ct.
Las Vegas, NV 89147
Telephone: 712.246.2932
Facsimile: 712.246.2932
email: b.ellsworth@gpreethanol.com

and

Lender's Agent at the address provided for Lender's Agent to Design-Builder by Owner by notice within five Days following the Financial Closing.

21.8 No Privity with Design Consultant/Subcontractors. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant or Subcontractor.

21.9 Amendments. The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

21.10 Entire Agreement. This Agreement consists of the terms and conditions set forth herein, as well as the Exhibits hereto, which are incorporated by reference herein and made a part hereof. This Agreement sets forth the full and complete understanding of the Parties as of the Effective Date with respect to the subject matter hereof.

21.11 Third-Party Beneficiaries. Except as expressly provided herein, this Agreement is intended to be solely for the benefit of the Owner, the Design-Builder and permitted assigns, and is not intended to and shall not confer any rights or benefits on any person not a signatory hereto.

21.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same Agreement, and may be executed and delivered by facsimile signature, which shall be considered an original.

21.13 Survival. Notwithstanding any provisions herein to the contrary, the Work Product provisions set forth in Article 5 and the indemnity obligations set forth herein shall survive (in full force) the expiration or termination of this Agreement, and shall continue to apply to the Parties to this Agreement even after termination of this Agreement or the transfer of such Party's interest in this Agreement.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties hereto have caused their names to be hereunto subscribed by their officers thereunto duly authorized, intending thereby that this Agreement shall be effective as of this January 13, 2006.

OWNER:	DESIGN-BUILDER:
Green Plains Renewable Energy, INC.	Fagen, Inc.
(Name of Owner)	(Name of Design-Builder)
/s/ Barry Ellsworth	/s/ Ronald Fagen
(Signature)	(Signature)
Barry Ellsworth	Roland "Ron" Fagen
(Printed Name)	(Printed Name)
President	CEO and President
(Title)	(Title)
Date: January 18, 2006	Date: January 22, 2006

Green Plains Renewable Energy, Inc.
January 13, 2006

SCHEDULE 4.2.1

Owner's Obligations to be Furnished Pursuant to Section 4.2.1

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT A

Performance Guarantee Criteria

Criteria	Specification	Testing Statement	Documentation
Plant Capacity - fuel grade ethanol	Operate at a rate of 50 million gallons per year of denatured fuel grade ethanol meeting the specifications of **.	Seven day performance test	Production records and a written report by Design-Builder.
Corn to Ethanol Conversion ratio; Corn must be**	**.	As determined by meter readings during a seven day performance test.	Production records and written analysis by Design-Builder.
Electrical Energy	**	As determined by meter readings during a seven day performance test.	Production records and written analysis by Design-Builder.
Natural Gas	**	As determined by meter readings during a seven day performance test.	Production records and written analysis by Design-Builder.
Process Water Discharge (not including cooling tower and boiler blowdown and water pre-treatment (RO) discharge)	**	Process discharge meter	Control System reports
Air Emissions	Must meet the requirements prescribed as of the date hereof by the State of Iowa Department of Natural Resources	As required by State agency and performed by Owner's Air Emission Tester.	Written report by Owner's Air Emission Tester.

The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Green Plains Renewable Energy, Inc.
January 13, 2006

As part of the Performance Guarantee Criteria the Plant shall operate in accordance with all Legal Requirements.

DISCLAIMER:

Owner's failure to materially comply with the operating procedures issued by ICM, Inc./Fagen, Inc. shall void all performance guaranties and warranties set forth in this Design-Build Agreement.

Owner understands that the startup of the plant requires resources and cooperation of the Owner, vendors and other suppliers to the project. Design-Builder disclaims any liability and Owner indemnifies Design-Builder for non-attainment of the Performance Guarantee Criteria directly or indirectly caused by material non-performance or negligence of third parties not retained by Design-Builder.

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT B

General Project Scope

Construct a 50 million-gallon per year (MGY) dry mill fuel ethanol plant near Shenandoah, Iowa. The plant will grind approximately 17.875 million bushels of corn per year to produce approximately 50 MGY year of denatured fuel ethanol. The plant will also produce approximately 160,750 tons per year of 11% moisture dried distillers grains with solubles (DDGS), and approximately 151,250 tons per year of raw carbon dioxide (CO_2) gas.

Delivered corn will be dumped in the receiving building. The receiving building will have two truck grain receiving bays and a rail receiving bay, including an underground conveyor from the rail pit to the second truck receiving bay both of which share a common receiving leg. Said receiving building shall have sufficient height to accommodate end-dump trailers. The truck driver will drive onto the pitless scale located near the administration building, be weighed and sampled, then drive to the receiving building, dump the grain, then proceed back to the pitless scale and obtain a final weight ticket from the scale operator. The trucks will not be required to move during the unloading process in the receiving building. Maximum truck dump time is ten minutes. Two independent 15,000-bushel legs will lift the corn to one of two 250,000 - bushel concrete storage bins. A dust collection system will be installed on the grain receiving system to limit particulate emissions as described in the Air Quality Permit application.

Ground corn will be mixed in a slurry tank, routed through a pressure vessel and steam flashed off in a flash vessel. Cooked mash will continue through liquefaction tanks and into one of four fermenters. Simultaneously, propagated yeast will be added to the mash as the fermenter is filling. After batch fermentation is complete, the beer will be pumped to the beer well and then to the beer column to vaporize the alcohol from the mash.

Alcohol streams are purified in the rectifier column and the side stripper, and the molecular sieve system. Two hundred proof alcohol is pumped to the tank farm day tank and blended with five percent natural gasoline as the product is being pumped into one of two 750,000 gallon final storage tanks. Loading facilities for truck and rail cars will be provided. Tank farm tanks include: one tank for 190 proof storage, one tank for 200 proof storage, one tank for denaturant storage and two 750,000 gallon tanks for denatured ethanol storage.

Corn mash from the beer stripper is dewatered in the centrifuge(s). Wet cake from the centrifuge(s) is conveyed to the DDGS dryer system. Wet cake is conveyed from the centrifuges to the dryer where the water is removed from the cake and the product is dried to 11% moisture. A modified wet or wet cake pad is located along side the DDGS dryer building to divert modified wet or wet cake to the pad when necessary or for limited production of modified wet or wet cake for sales. Water in the thin stillage is evaporated and recycled by the Bio-Methanation system. Syrup is added to the wet cake entering the dryer. DDGS is pneumatically conveyed to flat storage in the DDGS storage building. Shipping is accomplished by scooping and pushing the product with a front-end loader into an in-floor conveyor system. The DDGS load out pit has capacity for approximately one semi-trailer load. DDGS is weighed with a bulk weigh system.

Green Plains Renewable Energy, Inc.
January 13, 2006

Fresh water for the boilers, cooking, cooling tower and other processes will be obtained from the Owner supplied water pretreatment system. Boiler water conditioned in regenerative softeners will be pumped through a deaerator scrubber and into a deaerator tank. Appropriate boiler chemicals will be added as preheated water is sent to the boiler.

Steam energy will be provided by one Thermal Oxidizer (TO) driven boiler system utilizing a high percentage of condensate return to a condensate receiver tank.

The TO/Heat Recovery Steam Generator is a process used to thermally oxidize the exhaust gasses from the Dryers. This process will be used to reduce VOCs and particulates that are in the dryer exhaust and ensure compliance with environmental regulations. The energy required to complete thermal oxidization will then be ducted to a waste heat boiler that will produce 100% of the steam requirements of the ethanol plant. The exhaust gasses from the waste heat boiler will be ducted through stack gas economizer(s) to recover the maximum amount of energy possible from the exhaust gas stream. After the economizer(s), the gas stream will be vented to atmosphere through a stack.

The process will be cooled by circulating water through heat exchangers, a chiller, and a cooling tower.

The design includes a compressed air system consisting of air compressor(s), a receiver tank, pre-filter, coalescing filter, and double air dryer(s).

The design also incorporates the use of a clean-in-place (CIP) system for cleaning cook, fermentation, distillation, evaporation, centrifuges, and other systems. Fifty percent caustic soda is received by truck and stored in a tank.

Under normal operating circumstances, the plant will not have any wastewater discharges that have been in contact with corn, corn mash, cleaning system, or contact process water. An ICM/Phoenix Bio-Methanator will reduce the BOD in process water allowing complete reuse within the plant. The plant will have blowdown discharges from the cooling tower and may have water discharge from any water pre-treatment processes. Owner shall provide on-site connection to sanitary sewer or septic system.

Most plant processes are computer controlled by a Siemens/Moore APACS distributed control system with graphical user interface and three workstations. The control room control console will have dual monitors to facilitate operator interface between two graphics screens at the same time. Additional programmable logic controllers (PLCs) will control certain process equipment. Design Builder provides lab equipment.

The cooking system requires the use of anhydrous ammonia, and other systems require the use of sulfuric acid. Therefore, a storage tank for ammonia and a storage tank for acid will be on site to provide the quantities necessary. The ammonia storage requires that plant management implement and enforce a Process Safety Management (PSM) program. The plant design may require additional programs to ensure safety and to satisfy regulatory authorities.

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT C

Owner's Responsibilities

The Owner shall perform and provide the permits, authorizations, services and construction as specifically described hereafter:

1) Land and Grading - Owner shall provide a site near or in Shenandoah, Iowa. Owner shall obtain all legal authority to use the site for its intended purpose and perform technical due diligence to allow Design-Builder to perform including, but not limited to, proper zoning approvals, building permits, elevation restrictions, soil tests, and water tests. The site shall be rough graded per Design-Builder specifications and be +/- three inches of final grade including the rough grading for Site roadways. The site soils shall be modified as required to provide a minimum allowable soil bearing pressure as described in Table 1.

Other items to be provided by the Owner include, but are not limited to, the following: initial site survey (boundary and topographic) as required by the Design-Builder, layout of the property corners including two construction benchmarks, Soil Borings and subsequent Geotechnical Report describing recommendation for Roads, foundations and if required, soil stabilization/remediation, land disturbance permit, erosion control permit, site grading as described above with minimum soil standards, placement of erosion control measures, plant access road from a county, state or federal road designed to meet local county road standards, plant storm and sanitary sewers, fire water system with hydrants and plant water main branches taken from the system to be within five feet of the designated building locations, all tanks, motors and other equipment associated with or necessary to operate the fire water loop and associated systems, plant roads as specified and designed for the permanent elevations and effective depth, "construction" grading plan as drawn (including site retention pond), plant water well and associated permit(s). Owner shall also provide the final grading, seeding and mulching, and site fencing at the site.

Owner is encouraged to obtain preliminary designs/information and estimates of the cost of performing all Owner required permits and services as stated in this Exhibit C. Specifically, the cost of the fire water systems (including associated fire water pumps, required tank, building (if required), sprinklers, and all other equipment and materials associated with the fire water delivery systems) is estimated being in excess of $1,000,000. The requirements of each state and the decisions of each Owner will increase or decrease the actual cost.

The Owner's required activities related to site preparation for construction are to be divided into Phase I and Phase II activities as described below:

Deliverables by Owner prior to start of Phase 1 Civil Design:
Procure Boundary & Topographic Survey (to one foot contours)

Procure Soil Borings and Geotechnical Report with recommendations (at Design-Builder's requested locations and depth)

Phase I (Deliverable Site):

Design-Builder provides engineering services to develop these items (if required):

1. Final Plant Layout with FFE and Top of Road Elevations
2. Cut/Fill Quantity Calculations (estimate)
3. Grading and Erosion Control Plan
4. Plant Access Road and all in-plant roads (which will act as base for final roadway system)
5. Site Grading
6. Construction Layout (parking, temporary facilities laydown, access areas, temp. drainage)
7. Storm Water Drainage and Detention

*Owner shall prepare site according to Design-Builder's engineering plans for the above items.

Deliverables by Owner prior to start of Phase II Civil Design:

Owner shall determine its water source and provide Design-Builder an independent analysis of the water source.

Phase II (Final Civil Design Plans):

Design-Builder provides engineering services to develop these items (if required):

Site Work and Utilities (Within Property Line):

1. Potable Water Supply and Distribution
2. Process Water Supply and Distribution
3. Fire Loop and Fire Protection System
4. Site Electric
5. Site Natural Gas
6. Utility Water Discharge Line
7. Wells and Well Pump (supply of sufficient quantity for construction activities)
8. Minimum 3 Phase, 480 Volt, 1,000 KVA Electrical Power Available for Construction (at Engineer's requested location)
9. Site Work (final grading, seeding and mulching)
10. Fencing

*Owner shall prepare site according to Design-Builder's engineering plans for the above items.

Design/Builder shall be reimbursed on a "Time & Material" basis for any management of these Owner requirements and any design engineering requested by the Owner not otherwise required to be provided by Design-Builder pursuant to this Agreement.

2) Permits - Owner shall obtain all Operating Permits including, but not limited to, air quality permits, in a timely manner to allow construction and startup of the plant as scheduled by Design-Builder.

3) Storm Water Runoff Permit - Owner shall obtain the construction storm-water runoff permit and permanent storm-water runoff permit. Design-Builder shall obtain the erosion control/land disturbance permit.

4) Iowa Pollutant Elimination Discharge Permit - Owner shall obtain a permit to discharge cooling tower water, boiler blowdown water, reverse osmosis ("R.O.") reject water, and any other waste water directly to a designated waterway or other location. If required by item 8 below, Owner will secure appropriate permits for emergency process water discharges.

5) Natural Gas Supply and Service Agreement - Owner shall procure and supply a continuous supply of natural gas of at least 1.5 billion cubic feet per year, at a minimum rate of 200-400 MCF per hour and at a minimum pressure of at least 200 psi at the plant site, then reduced to 60 psig for distribution to the use points. Pressure reducing stations must be located so as to provide stable pressure at the point of use. Owner shall provide all gas piping to the use points and supply meters and regulators to provide burner tip pressures as specified by Design-Builder. Owner shall also supply a digital flowmeter on-site with appropriate output for monitoring by the plant's computer control system.

6) Electrical Service - (1) The Owner is responsible to secure continuous service from an energy supplier to serve the facility. The service from the energy supplier shall be of sufficient size to provide at a minimum 10 MW of electrical capacity to the site. (2) The Owner is responsible for procurement, installation and maintenance of the site supply and distribution system, including but not limited to the required substation and all associated distribution lines. An on-site digital meter is also to be supplied for monitoring of electrical usage. (3) The responsibility of the Design-Builder starts at the secondary electrical terminals of the site distribution system transformers that have been installed by Owner (i.e., the 480 volt terminals for the process building transformers; the 480 volt terminals for the energy center transformers; the 480 volt terminals for the grains transformer; the 480 volt terminals for the pumphouse transformer; and the 4160 volt terminals for the chiller transformer; and the 4160 volt terminals of the thermal oxidizer transformer). (4) The site distribution system requirements, layout, and meters are to be determined jointly by the Owner, the Design-Builder and the energy supplier.

Design-Builder will be providing soft start motor controllers for all motors greater than 150 horsepower and where demanded by process requirements. Owner is encouraged to discuss with its electrical service supplier whether additional soft start motor controllers are advisable for this facility and such can be added, with any increased cost being an Owner's cost.

Design-Builder will provide power factor correction to 0.92 lagging at plant nameplate capacity. Owner is encouraged to discuss with its electrical service supplier any requirements for power factor correction above 0.92 lagging. Additional power factor correction can be added with any increased cost being an Owner's cost.

7) Water Supply, Service Agreement, and Pre-Treatment System - Owner shall supply on-site process wells or other water source that is capable of providing a quantity of raw water satisfying the needs of the Plant. Owner should consider providing a redundant water supply source. Design-Builder shall provide the standard zeolite water softener system for boiler feedwater polishing. Owner will supply one process fresh water supply line terminating within five (5) feet of the point of entry designated by Design-Builder, and one potable supply line terminating within five (5) feet of the process building and to the administration building at a point of entry designated by administration building contractor.

Owner shall pay for a water pre-treatment system to be designed and constructed by Design-Builder and to be integrated into the Plant. The pre-treatment system will be designed to provide the Plant with the quantity and quality of raw and treated water needed to supply the Plant's process needs. The water pre-treatment system design will also consider and recommend to Owner equipment required to meet the discharge requirements under the Plant's NPDES or other wastewater discharge permit. Owner is to execute Change Orders as necessary for the design and construction of such water pre-treatment system. Design-Builder shall revoer costs fro the design and construction of such system from the Owner on a time plus basis. A Change Order, pursuant to Article 13.1, shall be executed by Owner and Design-Builder to compensate Design-Builder, on a time plus materials basis, for any costs and expenses related to such water pre-treatment system.

8) Wastewater Discharge System, Permits and/or Service Agreement - Owner shall provide the discharge piping, septic tank and drainfield system or connect to municipal system as required for the sanitary sewer requirements of the Plant. These provisions shall comply with all federal, state, and local regulations, including any permitting issues.

9) Roads and Utilities - Owner shall provide and maintain the ditches and permanent roads, including the gravel, pavement or concrete, with the roads passing standard compaction tests. (Design-Builder will maintain aggregate construction roads during construction of the Plant and will return to original pre-construction condition prior to Owner completing final grade and surfacing.)

Except as otherwise specifically stated herein the Owner shall install all utilities so that they are within five (5) feet of the designated building/structure locations.

10) Administration Building - The administration building - one story free standing, office computer system, telephone system, office copier and fax machine and office furniture and any other office equipment and personal property for the administration building shall be the sole and absolute cost and responsibility of Owner and Design-Builder shall have no responsibility in regards thereto.

11) Maintenance and Power Equipment - The maintenance and power equipment as described in Table 2 and any other maintenance and power equipment

as required by the plant or desired by Owner shall be the sole and absolute cost and responsibility of Owner and Design-Builder shall have no responsibility in regards thereto.

12) Railroads - Owner is responsible for any costs associated with the railroads including, but not limited to, all rail design and engineering and construction and Design-Builder shall have no responsibility in regards thereto.

13) Drawings - Owner shall supply drawings to Design-Builder of items supplied under items 10) and 12) and also supply Phase II redline drawings.

14) Fire Protection System - Fire protection system requirements vary by governmental requirements per location and by insurance carrier requirements. Owner is responsible to provide the required fire protection system for the Plant. This may include storage tanks, pumps, underground fire water mains, fire hydrants, foam or water monitor valves, sprinkler systems, smoke and heat detection, deluge systems, or other provisions as required by governmental codes or Owner's insurance carrier's fire protection criteria. Design-Builder will provide assistance to the Owner on a "Time & Material" basis for design and/or construction of the Fire Protection Systems required for the plant.

Table 1 Minimum Soil Bearing Pressure - Responsibility of Owner

Grain Storage Silos	8,000
Cook Water Tank	3,500
Methanator Feed Tank	3,500
Liquifaction Tank #1	3,500
Liquifaction Tank #2	3,500
Fermentation Tank #1	4,000
Fermentation Tank #2	4,000
Fermentation Tank #3	4,000
Fermentation Tank #4	4,000
Beerwell	4,000
Whole Stillage Tank	3,500
Thin Stillage Tank	3,500
Syrup Tank	3,500
190 Proof Day Tank	3,000
200 Proof Day Tank	3,000
Denaturant Tank	3,000
Fire Water Tank	3,000
Denatured Ethanol Tank #1	4,000
Denatured Ethanol Tank #2	4,000
All Other Areas	3,000

Table 2 Maintenance and Power Equipment - Responsibility of Owner

Description	Additional Description
Spare Parts	Spare parts Parts bins Misc. materials, supplies and equipment
Shop supplies and equipment	One shop welder One portable gas welder One plasma torch One acetylene torch One set of power tools Two sets of hand tools with tool boxes Carts and dollies Hoists (except centrifuge overhead crane) Shop tables Maintenance office furnishings & supplies Fire Extinguishers Reference books Safety manuals Safety cabinets & supplies, etc. Safe showers as required
Rolling stock	Used 1 1/2 yard front end loader New Skid loader Used Fork lift Used Scissors lift, 30 foot Used Pickup truck Track Mobile

EXHIBIT D

LICENSE AGREEMENT

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "License Agreement") is entered into and made effective as of the ___ day of January, 2006 ("Effective Date") by and between Green Plains Renewable Energy, INC., an Iowa limited liability company ("OWNER"), and ICM, Inc., a Kansas corporation ("ICM").

WHEREAS, OWNER has entered into that certain Design-Build Lump Sum Contract dated October 6, 2005 (the "Contract") with Fagen, Inc., a Minnesota corporation ("Fagen"), under which Fagen is to design and construct a 50 million gallon per year ethanol plant for OWNER to be located in or near Shenandoah, Iowa (the "Plant");

WHEREAS, ICM has granted Fagen the right to use certain proprietary technology and information of ICM in the design and construction of the Plant; and

WHEREAS, OWNER desires from ICM, and ICM desires to grant to OWNER, a license to use such proprietary technology and information in connection with OWNER's ownership and operation of the Plant, all upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties, in consideration of the foregoing premises and the mutual promises contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, agree as follows:

1. ICM grants to OWNER a limited license to use the Proprietary Property (hereinafter defined) solely in connection with the design, construction, operation, maintenance and repair of the Plant, subject to the limitations provided herein (the "Purpose"). In the event OWNER fails to pay to Fagen all amounts due and owing Fagen under the Contract or the Contract is terminated for any reason prior to the substantial completion of the Plant, ICM may terminate the limited license granted to OWNER herein upon written notice to OWNER.

2. The "Proprietary Property" means, without limitation, documents, Operating Procedures (hereinafter defined), materials and other information that are furnished by ICM to OWNER, whether directly or indirectly through Fagen, in connection with the Purpose including, without limitation, the design, arrangement, configuration, and specifications of (i) the combinations of distillation, evaporation, and alcohol dehydration equipment (including, but not limited to, pumps, vessels, tanks, heat exchangers, piping, valves and associated electronic control equipment) and all documents supporting those combinations; (ii) the combination of the distillers grain drying (DGD), and heat recovery steam generation (HRSG) equipment (including, but not limited to, pumps, vessels, tanks, heat exchangers, piping and associated electronic control equipment) and all documents supporting those combinations; and (iii) the computer system, known as the distributed control system (DCS and/or PLC) (including, but not limited to, the software configuration, programming, parameters, set points, alarm points, ranges, graphical interface, and system hardware

connections) and all documents supporting that system. The "Operating Procedures" means, without limitation, the process equipment and specifications manuals, standards of quality, service protocols, data collection methods, construction specifications, training methods, engineering standards and any other information prescribed by ICM from time to time concerning the Purpose. Proprietary Property shall not include any information or materials that OWNER can demonstrate by written documentation: (i) was lawfully in the possession of OWNER prior to disclosure by ICM; (ii) was in the public domain prior to disclosure by ICM; (iii) was disclosed to OWNER by a third party other than Fagen having the legal right to possess and disclose such information or materials; or (iv) after disclosure by ICM comes into the public domain through no fault of OWNER or its directors, officers, employees, agents, contractors, consultants or other representatives (hereinafter collectively referred to as "Representatives"). Information and materials shall not be deemed to be in the public domain merely because such information is embraced by more general disclosures in the public domain, and any combination of features shall not be deemed to be within the foregoing exceptions merely because individual features are in the public domain if the combination itself and its principles of operation are not in the public domain.

3. OWNER shall not use the Proprietary Property for any purpose other than the Purpose. OWNER shall not use the Proprietary Property in connection with any expansion or enlargement of the Plant.

4. OWNER's failure to materially comply with the Operating Procedures shall void all guarantees, representations and warranties, whether expressed or implied, if any, that were given by ICM to OWNER, directly or indirectly through Fagen, concerning the performance of the Plant that ICM reasonably determines are materially affected by OWNER's failure to materially comply with such Operating Procedures. OWNER agrees to indemnify, defend and hold harmless ICM, Fagen and their respective Representatives from any and all losses, damages and expenses including, without limitation, reasonable attorneys' fees resulting from, relating to or arising out of (a) Owner's or its Representatives' failure to materially comply with the Operating Procedures or (b) negligent or unauthorized use of the Proprietary Property.

5. Any and all modifications to the Proprietary Property by OWNER or its Representatives shall be the property of ICM. OWNER shall promptly notify ICM of any such modification and OWNER agrees to assign all right, title and interest in such modification to ICM; provided, however, OWNER shall retain the right, at no cost, to use such modification in connection with the Purpose.

6. ICM has the exclusive right and interest in and to the Proprietary Property and the goodwill associated therewith. OWNER will not, directly or indirectly, contest ICM's ownership of the Proprietary Property. OWNER's use of the Proprietary Property does not give OWNER any ownership interest or other interest in or to the Proprietary Property except for the limited license granted to OWNER herein.

7. OWNER shall pay no license fee or royalty to ICM for OWNER's use of the Proprietary Property pursuant to the limited license granted to OWNER, the consideration for this limited license is included in the amounts payable by OWNER to Fagen for the construction of the Plant under the Contract.

8. OWNER may not assign the limited license granted herein, in whole or in part, without the prior written consent of ICM, which will not be unreasonably withheld or delayed. Prior to any assignment, OWNER shall obtain from such assignee a written instrument, in form and substance reasonably acceptable to ICM, agreeing to be bound by all the terms and provisions of this License Agreement. Any assignment of this License Agreement shall not release OWNER from (i) its duties and obligations hereunder concerning the disclosure and use of the Proprietary Property by OWNER or its Representatives, or (ii) damages to ICM resulting from, or arising out of, a breach of such duties or obligations by OWNER or its Representatives. ICM may assign its right, title and interest in the Proprietary Property, in whole or part, subject to the limited license granted herein.

9. The Proprietary Property is confidential and proprietary. OWNER shall keep the Proprietary Property confidential and shall use all reasonable efforts to maintain the Proprietary Property as secret and confidential for the sole use of OWNER and its Representatives for the Purpose. OWNER shall retain all Proprietary Property at its principal place of business and/or the Plant. OWNER shall not at any time without ICM's prior written consent, copy, duplicate, record, or otherwise reproduce the Proprietary Property, in whole or in part, or otherwise make the same available to any unauthorized person provided, OWNER shall be permitted to copy, duplicate or otherwise reproduce the Proprietary Property in whole or in part in connection with the Purpose so long as all such copies, duplicates or reproductions are kept at its principal place of business and/or the Plant and are treated the same as any other Proprietary Property. OWNER shall not disclose the Proprietary Property except to its Representatives who are directly involved with the Purpose, and even then only to such extent as is necessary and essential for such Representative's involvement. OWNER shall inform such Representatives of the confidential and proprietary nature of such information and, if requested by ICM, OWNER shall obtain from such Representative a written instrument, in form and substance reasonably acceptable to ICM, agreeing to be bound by all of the terms and provisions of this License Agreement relating to the disclosure and use of the Proprietary Property. OWNER shall make all reasonable efforts to safeguard the Proprietary Property from disclosure by its Representatives to anyone other than permitted hereby. In the event that OWNER or its Representatives are required by law to disclose the Proprietary Property, OWNER shall provide ICM with prompt written notice of same so that ICM may seek a protective order or other appropriate remedy. In the event that such protective order or other appropriate remedy is not obtained, OWNER or its Representatives will furnish only that portion of the Proprietary Property which in the reasonable opinion of its or their legal counsel is legally required and will exercise its reasonable efforts to obtain reliable assurance that the Proprietary Property so disclosed will be accorded confidential treatment.

10. OWNER agrees to indemnify ICM for any and all damages (including, without limitation, reasonable attorneys' fees) arising out of or resulting from any unauthorized disclosure or use of the Proprietary Property by OWNER or its Representatives. OWNER agrees that ICM would be irreparably damaged by reason of a violation of the provisions contained herein and that any remedy at law for a breach of such provisions would be inadequate. Therefore, ICM shall be entitled to seek injunctive or other equitable relief in a court of competent jurisdiction against OWNER or its Representatives for any unauthorized disclosure or use of the Proprietary Property without the necessity of proving actual monetary loss or posting any bond. It is expressly understood that the remedy described herein shall not be the exclusive remedy of ICM for any breach of such covenants, and ICM shall be entitled to seek such other relief or remedy, at law or in equity, to which it may be entitled as a consequence of any breach of such duties or obligations.

11. The duties and obligations of OWNER under this License Agreement, and all provisions relating to the enforcement of such duties and obligations shall survive and remain in full force and effect notwithstanding any termination or expiration of the Contract or the license granted herein under paragraph 1 or 12.

12. ICM may terminate the limited license granted to OWNER herein upon written notice to OWNER if OWNER willfully or wantonly (a) uses the Proprietary Property for any purpose, or (b) discloses the Proprietary Property to anyone, in each case other than permitted herein. Upon termination of the license under paragraph 1 or this paragraph 12, OWNER shall cease using the Proprietary Property for any purpose (including the Purpose) and, upon request by ICM, shall promptly return to ICM all documents or other materials in OWNER's or its Representatives' possession that contain Proprietary Property.

13. The laws of the State of Kansas, United States of America, shall govern the validity of the provisions contained herein, the construction of such provisions, and the interpretation of the rights and duties of the parties. Any legal action brought to enforce or construe the provisions of this License Agreement shall be brought in the federal or state courts located in Wichita, Kansas, and the parties agree to and hereby submit to the exclusive jurisdiction of such courts and agree that they will not invoke the doctrine of forum non conveniens or other similar defenses in any such action brought in such courts. In the event the Plant is located in, or OWNER is organized under the laws of, a country other than the United States of America, OWNER hereby specifically agrees that any injunctive or other equitable relief granted by a court located in the State of Kansas, United States of America, or any award by a court located in the State of Kansas, shall be specifically enforceable as a foreign judgment in the country in which the Plant is located, OWNER is organized or both, as the case may be, and agrees not to contest the validity of such relief or award in such foreign jurisdiction, regardless of whether the laws of such foreign jurisdiction would otherwise authorize such injunctive or other equitable relief, or award. OWNER agrees that the aggregate recovery of OWNER (and everyone claiming by or through OWNER), as a whole, under this License Agreement and the Contract against ICM and ICM's Representatives, collectively, shall not exceed the amount paid by Fagen to ICM for the issuance of this License Agreement in connection with the Contract.

14. OWNER hereby agrees to waive all claims against ICM and ICM's Representatives for any consequential damages that may arise out of or relate to this License Agreement, the Contract or the Proprietary Property whether arising in contract, warranty, tort (including negligence), strict liability or otherwise, including but not limited to losses of use, profits, business, reputation or financing. OWNER further agrees that the aggregate recovery of OWNER and Fagen (and everyone claiming by or through OWNER and Fagen), as a whole, against ICM and ICM's Representatives, collectively, for any and all claims that arise out of, relate to or result from this License Agreement, the Proprietary Property or the Contract, whether arising in contract, warranty, tort (including negligence), strict liability or otherwise, shall not exceed the amount paid by Fagen to ICM in connection with the OWNER's project under the Contract.

15. The terms and conditions of this License Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any prior understandings, agreements or representations by or between the parties, written or oral. Any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this License Agreement. This License Agreement may not be modified or amended at any time without the written consent of the parties.

16. All notices, requests, demands, reports, statements or other communications (herein referred to collectively as "Notices") required to be given hereunder or relating to this License Agreement shall be in writing and shall be deemed to have been duly given if transmitted by personal delivery or mailed by certified mail, return receipt requested, postage prepaid, to the address of the party as set forth below. Any such Notice shall be deemed to be delivered and received as of the date so delivered, if delivered personally, or as of the third business day following the day sent, if sent by certified mail. Any party may, at any time, designate a different address to which Notices shall be directed by providing written notice in the manner set forth in this paragraph.

17. In the event that any of the terms, conditions, covenants or agreements contained in this License Agreement, or the application of any thereof, shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such term, condition, covenant or agreement shall be deemed void ab initio and shall be deemed severed from this License Agreement. In such event, and except if such determination by a court of competent jurisdiction materially changes the rights, benefits and

obligations of the parties under this License Agreement, the remaining provisions of this License Agreement shall remain unchanged unaffected and unimpaired thereby and, to the extent possible, such remaining provisions shall be construed such that the purpose of this License Agreement and the intent of the parties can be achieved in a lawful manner.

18. The duties and obligations herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and permitted assigns of the parties hereto.

19. The waiver by any party hereto of the breach of any term, covenant, agreement or condition herein contained shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein, nor shall any custom, practice or course of dealings arising among the parties hereto in the administration hereof be construed as a waiver or diminution of the right of any party hereto to insist upon the strict performance by any other party of the terms, covenants, agreement and conditions herein contained.

20. In this License Agreement, where applicable, (i) references to the singular shall include the plural and references to the plural shall include the singular, and (ii) references to the male, female, or neuter gender shall include references to all other such genders where the context so requires.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement, the Effective Date of which is indicated on page 1 of this License Agreement.

OWNER:	ICM:
Green Plains Renewable Energy, INC.	ICM, Inc.
/s/ Barry A. Ellsworth	/s/ David Vander Griend
(Signature)	(Signature)
Barry A. Ellsworth	David Vander Griend
(Printed Name)	(Printed Name)
President	CEO
(Title)	(Title)
Date: January 18, 2006	Date: January 25, 2006
Address for giving notices:	Address for giving notices:
	301 N First Street Colwich, KS 67030

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT E

Schedule of Values

GREEN PLAINS ENERGY 50 MGPY ETHANOL PLANT
SHENANDOAH, IOWA
PAY REQUEST BREAKDOWN

	DESCRIPTION	VALUE
1	MOBILIZATION	$ **
2	ENGINEERING	$ **
3	GENERAL CONDITIONS (16 MONTHS)	$ **
4	SITEWORK	$ **
5	CONCRETE	$ **
6	MASONRY	$ **
7	STRUCTURAL STEEL & MISC. METALS	$ **
8	LUMBER, CARPENTRY & FINISHES	$ **
9	GIRTS, SIDING & ROOF DECK	$ **
10	DOORS & WINDOWS	$ **
11	PAINT	$ **
12	GRAIN HANDLING SYSTEM	$ **
13	DDG STORAGE BUILDING	$ **
14	FIELD ERECTED TANKS	$ **
15	PROCESS TANKS & VESSELS	$ **
16	DRYER SYSTEM	$ **
17	THERMAL OXIDIZER	$ **
18	MIXERS	$ **
19	PUMPS	$ **
20	HEAT EXCHANGERS	$ **
21	SIEVE BOTTLES & BEADS	$ **
22	CHILLER	$ **
23	CENTRIFUGES	$ **
24	AIR COMPRESSORS	$ **
25	METHANATOR	$ **
26	COOLING TOWER	$ **
27	ETHANOL LOADOUT	$ **
28	VAPOR FLARE SYSTEM	$ **
29	TRUCK SCALES & PROBE	$ **
30	PROCESS PIPING & VALVES	$ **
31	INSULATION	$ **
32	PLUMBING & HVAC	$ **
33	ELECTRICAL	$ **
34	START-UP	$ **
35	DEMOB	$ **
36		$
	CONTRACT AMOUNT	$55,881,454

- ---

The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT F

Progress Report (Example)

A. Project Overview - Brief description of project including plant capacity, major contractors (if applicable), completion dates (including Substantial Completion, Final Completion Date, estimated performance testing start, etc.), etc. Should also include progress reporting period.

B. Project Status - Divided into engineering, construction, and Owner responsibilities as well as a summary describing project status as a whole. Subsections include:

B1 - Engineering - Current month progress and status as compared to plan, 1-month look ahead/goals, issues being worked, critical path activities, and statement regarding support of construction activities.

B2 - Construction - Current month progress and status as compared to plan, 1-month look ahead/goals, issues being worked, critical path activities, procurement activities (if applicable), subcontracting activities (if applicable), and statement regarding completion of owner responsibilities as it relates to Design-Builder completion of work schedule. In addition, it should include:

A. Site Work and Utilities - Owner Responsibility

1. Plant Fire Water Loop - 98% Complete.
2. Railroad: Rail ties on tracks A and B are up to Rail Load out; tracks C and D are installed past DDG building to rail car storage area. Tracks A and B to be complete when Grains building is complete.
3. Power Company is 100% complete on permanent power.
4. Gas line to plant has commenced, gas to be on site by Oct. 21.
5. City water main from main entrance to tank is installed, awaiting word from City.
6. Road work has started at main entrance and Admin. Area, final grading has started in these areas as well.

B. Grains Storage & Handling

1. Grains receiving building is 95% complete.
2. Continuing to installing all miscellaneous ladders and platforms for collectors and bag houses. Continuing to install dust collection system for Grains receiving.
3. Electrical is right behind installing conduit and wire to equipment.
4. Pit area 95% complete.
5. Continue to install main legs for Grain to Silos.
6. HVAC equipment on site, yet to be installed.

C. Energy Building

1. 99% of Equipment installed.
2. Electrical nearly 94% complete. Have started bumping motors and conveyors for rotation.

Green Plains Renewable Energy, Inc.
January 13, 2006

3. Steel 100% complete.
4. All end walls are complete with siding. Half of the roof is installed.
5. Mechanical piping is at 30% complete.
6. All RO equipment is installed. All totes are installed. Tubing to Boiler and DA has started. Electrical completing installation for power and controls to RO equipment.

D. Process/Fermentation Building

1. 99% of the Equipment is installed.
2. Piping is 98% complete.
3. Vinyl Composite tile 70% complete. Ceramic tile to bathrooms is complete.
4. HVAC equipment installation is complete. Final tie ins for office area, server room and maintenance room continuing.

E. Distillation and Evap Area

1. Mechanical is about 98% complete. Complete small bore piping where needed.
2. Electrical is behind Mechanical installing instruments and wiring.

F. Tank Farm

1. Mechanical is 98% complete, waiting on Specialty items to arrive for installation.
2. All pumps have been installed and piping is complete to and from.
3. Electrical continuing installation of cable tray, 95% of instruments are installed, wire is about 85% complete.

G. Chiller - Cooling Tower

1. Chiller Building -Overhead doors have been completed.
2. Cooling Tower erection is 100% complete.
3. HVAC unit on site, yet to be installed.

B3 - Commissioning and Start-up - Activities related to commissioning and start-up including training completed, turnover packages completed, status of testing procedures, etc.

B4 - Total Project - Overall project status, including critical path activities.

C - Health and Safety - Summary including number of craft, number of first aid cases, number of recordable cases, and number of lost time accidents. If applicable, safety programs implemented at site, etc.

D - Schedule - Including most recent updated schedule accompanied with schedule overview, comparison to baseline, and critical path activities. The schedule should correspond to application for payment.

E - Financial - Including total of invoices submitted to date as well as change orders submitted and status.

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT G

Required Permits

No.	Type of Application/Permit	Responsibility for Obtaining Permit	Assistance in Preparation	Notes
1	Underground Utility Locating Service	Design-Builder/Owner		Notification service for underground work.
2	Septic Tank & Drain Field Permit	Owner		
3	Railroad Permit/Approval	Owner	Design-Builder	
4	Archeological Survey	Owner		
5	Highway Access Permit	Owner		State Department of Transportation or County
6	Building Permits	Design-Builder		
	Mechanical	Design-Builder		
	Electrical	Design-Builder		
	Structures	Design-Builder		
7	Construction Air Permit	Owner	Design-Builder	
8	Construction Permit	Owner	Design-Builder	
9	Operations Permit	Owner	Design-Builder	
10	Wastewater Permit	Owner	Design-Builder	
11	Water Appropriation Permit	Owner	Design-Builder	
12	Fire Protection	Owner	Design-Builder	
13	Above Ground Storage Tank Permit	Design-Builder		
14	TTB Permit	Owner		

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT H

PERFORMANCE BOND
The American Institute of Architects,
AIA Document No. A312 (December, 1984 Edition)
Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address): Fagen, Inc. P. O. Box 159 Granite Falls, MN 56241 CONSTRUCTION CONTRACT Date:	Amount: [Amount] Description (Name and Location): [Project Name and Location] OWNER (Name and Address): [Owner Name/Address] SURETY (Name and Principal Place of Business): [Name/Place of Business]

BOND#
Date (Not earlier than Construction Contract Date):
Amount:
Modifications to this Bond: [ ] None [ ] See Page 2

CONTRACTOR AS PRINCIPAL Company: (Corporate Seal) Fagen, Inc. Signature:_____ Name and Title:_____ (Any additional signatures appear an page 2.)(FOR INFORMATION Only - Name, Address and Telephone)	SURETY Company: (Corporate Seal) Signature:_____ Name and Title:_____ OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

AGENT or BROKER:

1. The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2. If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3. If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and 3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor with consent of the Owner, to perform and complete the Construction Contract; or 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5. If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its Obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6. After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12. DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:
This bond is subject to the attached Dual Obligee Rider dated _____

_____

_____

(Space is provided below for additional signatures of added parties other than those appearing on the cover page.)

Green Plains Renewable Energy, Inc.
January 13, 2006

CONTRACTOR AS PRINCIPAL	SURETY
(Corporate Seal)	(Corporate Seal)
Company: _____	Company: _____
Address:_____	Address:_____
Name and Title:_____	Name and Title:_____
Signature:_____	Signature:_____

Green Plains Renewable Energy, Inc.
January 13, 2006

DUAL OBLIGEE RIDER

(TO BE ATTACHED TO BOND AT TIME OF ISSUANCE)

TO BE ATTACHED TO AND FORM PART OF Performance and Payment Bond NO. _____, dated concurrently with the execution of this Rider, issued by the _____, a _____ corporation, as Surety, on behalf of Fagen, Inc., as Principal, and in favor of _____, as Obligee.

IT IS HEREBY UNDERSTOOD AND AGREED that the above described bond(s) are hereby amended to include the following paragraph:

> Notwithstanding anything contained herein to the contrary, there shall be no liability on the part of the Principal or Surety under this bond to the Obligees, or either of them, unless the Obligees, or either of them, shall make payments to the Principal or to the Surety in case it arranges for completion of the Contract upon default of the Principal, strictly in accordance with the terms of said Contract as to payments, and shall perform all the other obligations required to be performed under said Contract at the time and in the manner therein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED that nothing herein contained shall be held to change, alter or vary the terms of the above described bond(s) except as hereinbefore set forth.

SIGNED, SEALED AND DATED this ____ day of _____, 200_.

Fagen, Inc.

(Contractor)

By:

[ ]

(Surety)

By:

EXHIBIT I

PAYMENT BOND
The American Institute of Architects,
AIA Document No. A312 (December, 1984 Edition)
Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address): Fagen, Inc. P. O. Box 159 Granite Falls, MN 56241	SURETY (Name and Principal Place of Business):
OWNER (Name and Address): [NAME AND ADDRESS]	
CONSTRUCTION CONTRACT Date: Amount: Description (Name and Location):	
BOND # Date (Not earlier than Construction Contract Date): Amount:	
Modifications to this Bond: [ ] None [ ] See Page 2	
CONTRACTOR AS PRINCIPAL Company: (Corporate Seal) Fagen, Inc. Signature: _____ Name and Title:_____	SURETY Company: (Corporate Seal) Signature:_____ Name and Title:_____
(Any additional signatures appear an page 2.)	
(FOR INFORMATION Only--Name, Address and Telephone) AGENT or BROKER:	OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1. The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2. With respect to the Owner, this obligation shall be null and void if the Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in

Paragraph 12) of any claims; demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

3. With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or Indirectly, for all sums due.

4. The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with the Contractor:

4.2.1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

4.2.2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or Indirectly; and

4.2.3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

5. If a notice required by Paragraph 4 is given by the Owner to the Contractor or to the Surety that is sufficient compliance.

6. When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2 Pay or arrange for payment of any undisputed amounts.

7. The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to

satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9. The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

14. Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for

performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:
This bond is subject to the attached Dual Obligee Rider dated [ ].

(Space is provided below for additional signatures of added parties other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL	SURETY
(Corporate Seal)	(Corporate Seal)
Company:_____	Company:_____
Address:_____	Address:_____
Name and Title:_____	Name and Title:_____
Signature:_____	Signature:_____

DUAL OBLIGEE RIDER

(TO BE ATTACHED TO BOND AT TIME OF ISSUANCE) TO BE ATTACHED TO AND FORM PART OF Performance and Payment Bond NO. _____, dated concurrently with the execution of this Rider, issued by the _____, a _____ corporation, as Surety, on behalf of Fagen, Inc., as Principal, and in favor of _____, as Obligee. IT IS HEREBY UNDERSTOOD AND AGREED that the above described bond(s) are hereby amended to include the following paragraph: Notwithstanding anything contained herein to the contrary, there shall be no liability on the part of the Principal or Surety under this bond to the Obligees, or either of them, unless the Obligees, or either of them, shall make payments to the Principal or to the Surety in case it arranges for completion of the Contract upon default of the Principal, strictly in accordance with the terms of said Contract as to payments, and shall perform all the other obligations required to be performed under said Contract at the time and in the manner therein set forth. IT IS FURTHER UNDERSTOOD AND AGREED that nothing herein contained shall be held to change, alter or vary the terms of the above described bond(s) except as hereinbefore set forth. SIGNED, SEALED AND DATED this ____ day of _____, 200_.

Fagen, Inc.

(Contractor)

By:

[ ]

(Surety)

By:

EXHIBIT J

Work Schedule

OWNER'S RESPONSIBILITIES	NUMBER OF DAYS TO BE COMPLETED AFTER NOTICE TO PROCEED
Notice to Proceed	**
Obtain Builder's Risk policy in the amount of the Contract Price, obtain Boiler and Machinery Insurance, and obtain Terrorism Coverage per TRIA	**
Storm Water Permits Complete	**
Natural Gas/Propane Supply Agreements Complete	**
Water Supply and Service Agreements Complete	**
NPDES Discharge Point Selected	**
Electrical Service	**
Wastewater Discharge System Complete	**
Operating Permits Complete	**
Discharge Permits Complete	**
Pumphouse/Water System Complete	**
Fire Protection System Complete	**
Administration Building Complete	**
Paving (Plant Roads) Complete	**
Rail Spur Complete	**
Employees Hired and Ready for Training	**
Natural Gas Pipeline Complete	**

DESIGN-BUILDER'S RESPONSIBILITIES	NUMBER OF DAYS TO BE COMPLETED AFTER NOTICE TO PROCEED
Substantial Completion	485
Final Completion	545

- ---

The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Green Plains Renewable Energy, Inc.
January 13, 2006

EXHIBIT K

Preliminary Construction Documents

EXHIBIT L

Draw (Payment) Schedule

MONTH	BILLING	TOTAL BILLING	
1	$ **	$ **	**%
2	$ **	$ **	**%
3	$ **	$ **	**%
4	$ **	$ **	**%
5	$ **	$ **	**%
6	$ **	$ **	**%
7	$ **	$ **	**%
8	$ **	$ **	**%
9	$ **	$ **	**%
10	$ **	$ **	**%
11	$ **	$ **	**%
12	$ **	$ **	**%
13	$ **	$ **	**%
14	$ **	$ **	**%
15	$ **	$ **	**%
16	$ **	$ **	**%
	$ 55,881,454		

Payments related to the Design and Construction of the Water Pre-Treatment System under the ** allowance will occur within the first 180 days of the Notice To Proceed and will be additive to the above Draw Schedule.

- ---

The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Green Plains Renewable Energy, LLC
October 6, 2005

EXHIBIT M

Air Emissions Application or Permit

EXHIBIT N

Phase I and Phase II Engineering Services Agreement

Green Plains Renewable Energy, LLC
October 6, 2005

LUMP SUM DESIGN-BUILD AGREEMENT

PHASE I AND PHASE II

ENGINEERING SERVICES AGREEMENT

BETWEEN

GREEN PLAINS RENEWABLE ENERGY, INC

AND

FAGEN ENGINEERING, LLC

October 4, 2005

TABLE OF CONTENTS

Table of Contents
(continued)

Page

Table of Contents
(continued)

PHASE I AND PHASE II

ENGINEERING SERVICES AGREEMENT

THIS PHASE I AND PHASE II ENGINEERING SERVICES AGREEMENT (the "Agreement") is made as of October 4, 2005, (the "Effective Date") by and between Green Plains Renewable Energy, Inc., an Iowa Incorporated Company (the "Client") and Fagen Engineering, LLC a Minnesota Limited Liability Company (the "Engineer"). Each of the Client and Engineer are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Client is developing a 50 million gallons per year dry grind ethanol production facility to be located in Shenandoah, Iowa (the "Plant") to be owned and operated by Client; and

WHEREAS, Client and Fagen, Inc. ("Design - Builder") intend to enter into that certain Lump-Sum Design-Build Agreement ("Design-Build Agreement") under which Fagen, Inc., an affiliate of Engineer, will serve as the design-builder for the Plant and provide design, engineering, procurement and construction services for the development and construction of the Plant; and

WHEREAS, Client wishes to retain an entity in advance of entering into the Design-Build Agreement to perform certain engineering and design work that will be required under the Design-Build Agreement on the terms and conditions set forth in this Agreement, and Engineer desires to act as such entity upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound by this Agreement, the parties do hereby agree as follows:

Article 1

Definitions; Rules of Interpretation

1.1 Rules of Construction.

The capitalized terms listed in this Article 1 shall have the meanings set forth herein whenever the terms appear in this Agreement, whether in the singular or the plural or in the present or past tense. Other terms used in this Agreement but not listed in this Article shall have meanings as commonly used in the English language and, where applicable, in generally accepted construction and design-build industry standards. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

21.13.1 (a) The masculine shall include the feminine and neuter.

21.13.2 (b) References to "Articles," "Sections," "Schedules," or "Exhibits" shall be to Articles, Sections, Schedules or Exhibits of this Agreement.

(c) This Agreement was negotiated and prepared by each of the Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof. The following definitions will apply in this Agreement:

1.2 Defined Terms.

In addition to definitions appearing elsewhere in this Agreement, the following terms have the following meanings:

Agreement will have the meaning given to such term in the Preamble to this Agreement.

Applicable Law means

(a) any and all laws, legislation, statutes, codes, acts, rules, regulations, ordinances, treaties or other similar legal requirements enacted, issued or promulgated by a Governmental Authority;
(b) any and all orders, judgments, writs, decrees, injunctions, Governmental Approvals or other decisions of a Governmental Authority; and
(c) any and all legally binding announcements, directives or published practices or interpretations, regarding any of the foregoing in (a) or (b) of this definition, enacted, issued or promulgated by a Governmental Authority;

to the extent, for each of the foregoing in (a), (b) and (c) of this definition, applicable to or binding upon (i) a Party, its affiliates, its shareholders, its members, it partners or their respective representatives, to the extent any such person is engaged in activities related to the Services; or (ii) the property of a Party, its affiliates, its shareholders, its members, its partners or their respective representatives, to the extent such property is used in connection with the Services or an activity related to the Services.

Client will have the meaning given to such term in the Preamble to this Agreement.

Client's Representative will have the meaning given to such term in Section 4.1

Design-Build Agreement will have the meaning given to such term in the Recitals to this Agreement.

Effective Date will have the meaning given to such term in the Preamble to this Agreement.

Engineer will have the meaning given to such term in the Preamble to this Agreement.

Engineer Responsible Parties will have the meaning given to such term in Section 4.10.

Governmental Approvals will mean any material authorizations or permissions issued or granted by any Governmental Authority to the Project, the Client, the Engineer, subcontractors and their affiliates in connection with any activity related to the Services.

Governmental Authority will mean any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal; in each case having jurisdiction over the Client, the Engineer, the Plant, or the Site.

Monthly Invoice will have the meaning given to such term in Section 5.7.

Party or Parties will have the meaning given to such term in the Preamble to this Agreement.

Phase I Deliverables will mean the Client's deliverable obligations pursuant to Exhibit C attached to this Agreement.

Phase I Design Package will have the meaning given to such term in Section 3.2.

Phase II Deliverables will mean the Client's deliverable obligations pursuant to Exhibit C

Phase II Design Package will have the meaning given to such term in Section 3.4. Attached to this Agreement.

Plant will have the meaning given to such term in the Recitals to this Agreement.

Project will mean the Plant, together with all equipment, labor, services and materials furnished under the Design-Build Agreement.

Services will have the meaning given to such term in Section 3.1.

Site will mean the land or premises on which the Plant is located.

Subcontractor will mean any person or entity, including but not limited to independent engineers, associates, and consultants, retained by Engineer, or by any person or entity retained directly or indirectly by Engineer, in each case as an independent contractor, to perform a portion of the Services.

Work Product will have the meaning given to such term in Section 8.1.

Article 2
Retention of the Agent

2.1 Retention of Services. On the terms and subject to the conditions hereinafter set forth, Client hereby retains Engineer to perform, and Engineer hereby agrees to perform, the Services. Engineer will provide such Services solely pursuant to the terms and conditions set forth herein including any indemnifications and limitations on liability.

Article 3
Engineer Responsibilities

3.1 Services. Engineer shall perform the Phase I Design Package and Phase II Design Package engineering services necessary to facilitate Client's completion of the Phase I and Phase II Site work required of Client prior to the issuance of a Notice to Proceed pursuant to the Design-Build Agreement (collectively, the "Services").

3.2 Phase I Design Package. (Grading and Drainage). The Phase I Design Package to be provided by Engineer shall consist of the engineering and design of the Plant Site and shall include the following drawings:

a) Cover Sheet
b) Property Layout Drawing
c) Grading, Drainage and Erosion Control Plan Drawing (Multiple Drawings if Required)
   i. Used for Land Disturbance Permitting
   ii. Site grading is held 6-inches low for topsoil and seeding
d) Roadway Alignment Drawing
e) Culvert Cross Sections and Details (Multiple Drawings)
f) Seeding and Landscaping (If Required)

Plan sets along with a Bid Tabulation Sheet will be supplied to the Client so all contractors bid the same quantities. A telephone conference call for a Phase I pre-bid meeting will be provided upon Client's request.

3.3 Delivery of Phase I Design Package. Engineer shall deliver the completed Phase I Design Package no later than 60 days after the receipt of all Phase I Deliverables.

3.4 Phase II Design Package. The Phase II Design Package to be provided by Engineer shall provide the engineering and design of Site work and utilities for the Plant, all within the property line of Plant, and shall consist of the following:

a) Cover Sheet
b) Property Layout Drawing
c) Site Grading and Drainage Drawing (Final Interior Plant Grading)

d) Roadway Alignment
e) Utility Layout (Fire Loop)
f) Utility Layout (Potable Water)
g) Utility Layout (Well Water) if using on-Site wells
h) Utility Layout (Sanitary Sewer)
i) Utility Layout (Utility Water Blowdown)
j) Utility Layout (Natural Gas)
   i. Fagen Engineering provides a preferred routing through the Site, line size and pipe specifications are typically provided by the gas supplier.
k) Geometric Layout (For Project Control Verification)
l) Site Utility Piping Tables Drawing
m) Tank Farm Layout Drawing
n) Tank Farm Details Drawing
o) Sections and Details Drawing (If required)
p) Miscellaneous Details Drawing (If required)

A telephone conference call for a Phase 2 pre-bid meeting will be provided upon Client's request.

3.5 Delivery of Phase II Design Package. Engineer shall deliver the completed Phase II Design Package no later than 60 days after the receipt of all Phase II Deliverables.

3.6 Delays. The Parties agree that Engineer shall not be responsible for delays in providing the Services under this Agreement due to factors beyond Engineer's control.

3.7 Utility Routing and Design Services Limited. The Parties agree that Engineer shall provide the routing and design for the utilities necessary for the Plant only within the Plant property line and up to the Plant property line, and that, for purposes of this Agreement, Engineer assumes a tie-in point to a city utility. The Parties agree that, if there is no city tie-in point, Engineer will route the utilities to the Plant property line and stop. Any special tie-in requirements necessary to connect the utilities at the Plant property line are not included in the compensation or the scope of this Agreement and shall only be designed and engineered by Engineer as change in the Project which affects the Services hereunder.

Article 4
Client Responsibilities

4.1 Client's Representative. Client shall, prior to the commencement of Services by Engineer, name a representative ("Client's Representative") with authority to receive information and transmit instructions for Client. Client's Representative shall be vested with authority to act on behalf of Client and Engineer shall be entitled to rely on Client's Representative's communications with regard to the Services.

4.2 Client's Requirements. Client shall, prior to the commencement of Services by Engineer, provide Engineer with Client's requirements for the Project, including objectives and constraints, design and construction standards, bonding and insurance requirements, and contract forms.

4.3 Other Information. Prior to the commencement of Services by Engineer, Client shall provide Engineer with all other information available to Client and pertinent to the Project and the Services including, but not limited to, all items required pursuant to Exhibit C. The items required by Client pursuant to this Section 4.3 shall be furnished at Client's expense, and Engineer shall be entitled to rely upon the accuracy and completeness thereof.

4.4 Access to Property. Prior to the commencement of Services and as necessary during the performance of Services, Client shall arrange for access by Engineer upon public and private property, as required for the performance of the Services under this Agreement.

4.5 Review of Documents. As related to the performance of Services hereunder, Client shall examine documents presented by Engineer, obtain legal and other advice as Client deems appropriate, and render written decisions within reasonable time. The items required by Client pursuant to this Section 4.5 shall be furnished at Client's expense, and Engineer shall be entitled to rely upon the accuracy and completeness thereof.

4.6 Consents, Approvals, Licenses and Permits. Prior to the commencement of Services and as necessary during the performance of the Services, Client shall obtain all consents, approvals, licenses, permits, and other Governmental Approvals necessary for the Project and for the performance of the Services. The items required by Client pursuant to this Section 4.6 shall be furnished at Client's expense, and Engineer shall be entitled to rely upon the accuracy and completeness thereof.

4.7 Bids. Client shall advertise for and open bids when scheduled.

4.8 Other Services Client shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the Services, including auditing services the Client may require to verify the monthly invoices or to ascertain how or for what purposes the Engineer and/or Subcontractors have used the money paid by or on behalf of the Client.

4.9 Service Outside Scope of Engineer's Services. Client shall, at its own expense, as necessary for the performance and completions of the Services, provide any additional services necessary for the Project that are outside the scope of the Services provided by Engineer under this Agreement. Engineer shall be entitled to rely upon, as applicable, the completeness and accuracy of such additional services.

4.10 Deviation from Design. Client shall indemnify and hold harmless Engineer, its employees, its agents, its affiliates, and any other persons or entities within its control or for whom Engineer would otherwise be responsible ("Engineer Responsible Parties") against claims arising out of Engineer's design, if there has been, in the completion of the Phase I and Phase II Site

work required of Client prior to the issuance of a Notice to Proceed pursuant to the Design-Build Agreement, a failure to follow Engineer's recommendation and such deviation or failure caused the claims.

4.11 Developments Affecting Scope or Timing of Services. Client shall promptly notify Engineer, in writing, when Client learns of contractor error or any development that affects the scope or timing of Engineer's Services.

Article 5
Compensation and Payment

5.1 Compensation. In consideration of its performance of the Services, Client shall pay Engineer for Engineer's time in the performance of the Services at a fixed fee of $** ("Fixed Fee") as compensation. Engineer's compensation under this Section 5.1 shall be pursuant to the Fee schedule attached hereto as Exhibit A, as such schedule may be modified from time to time. The full amount of compensation paid by Client under this Section 5.1 shall be included in and credited to the Design-Build Agreement's contract price if entered into upon payment in full by Client.

5.2 Reimbursement of Engineer Expenses. In addition to the fixed fee in 5.1, Client shall reimburse Engineer for its expenses related to the performance of the Services in accordance with Engineer's current reimbursable expense schedule attached hereto as Exhibit B.

5.3 Reimbursement of Subcontractor Expenses.

5.3.1 Subcontractor charges related to time spent in the performance of the Services shall not be marked-up by Engineer. Client shall reimburse Engineer for costs related to Subcontractors' time in accordance with the Subcontractors' invoices for the work.

5.3.2 Subcontractor reimbursable expenses will be marked up in accordance with the current reimbursable expense schedule attached hereto as Exhibit B.

5.4 Fees for Work Outside Scope of Services. Fees for all work outside the scope of Engineer's responsibilities described in Article 3, including change order work, shall be computed in accordance with Engineer's current fee schedules, attached hereto as Exhibits A and B, as such schedules may be revised from time to time, unless otherwise agreed to in writing.

5.5 Collection of Unpaid Amounts. If any amount due is not paid in accordance with this Agreement and Engineer must collect that amount, Engineer shall be entitled to recover, in addition to the amount due, the cost of collection, including reasonable attorney's fees in connection with those collection efforts.

- ---------------
The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

5.6 Reimbursement Schedules Subject to Change. Engineer's reimbursement schedule and reimbursable expense schedule attached hereto as Exhibits A and B are subject to change on January 1 of each year.

5.7 Invoices. Engineer shall submit a monthly invoice ("Monthly Invoice") for Services provided and for reimbursable expenses incurred by Engineer and any Subcontractors.

5.8 Payment. Within thirty (30) days after Client's receipt of each Monthly Invoice, Client shall pay Engineer all amounts due.

5.9 Late Payment and Interest. If Client fails to make payment within thirty (30) days after receipt of Monthly Invoice, interest at the maximum legal rate or at an annual rate of 18%, whichever is less, shall accrue

5.10 Suspension for Failure to Pay. If Client fails to make payment within thirty (30) days after receipt of Monthly Invoice, Engineer may, at its option, after giving seven (7) days' written notice, suspend Services until all amounts due to Engineer by Client have been paid in full.

5.11 Payments from Lawful Sources. Client shall provide for payment from one or more lawful source of all sums to be paid Engineer.

5.12 Withholding Payments. Engineer's compensation shall not be reduced on account of any amounts withheld from payment to Subcontractors.

5.13 Purchase Orders. If Client issues a purchase order or other document to initiate the commencement of Services hereunder, it is expressly agreed that any terms and conditions appearing thereon shall have no application and only the provisions of this Agreement shall apply.

5.14 Changes in Project. If Client requests changes in the Project which affect the Services, compensation for and time of performance of Engineer's services shall be adjusted appropriately.

Article 6
Construction Cost and Cost Estimates

6.1 Cost Estimates. Client and Engineer acknowledge that Engineer has no control over cost of labor, materials, equipment of services furnished by others, over contractors' methods of determining prices, or other competitive bidding or market conditions and that Engineer's estimates of Project construction cost will be made on the basis of its employees' experience and qualifications and will represent Engineer's employees' best judgment as

experienced and qualified professionals, familiar with the construction industry. Engineer does not guarantee that proposal, bids, or actual construction cost will not vary from its estimates of Project cost and Client acknowledges the same.

Article 7
Termination

7.1 Termination Upon Default. Either party may terminate this Agreement upon twenty (20) days' written notice if the non-terminating party has defaulted through no fault of the terminating party.

7.2 Termination Upon Abandonment of Plant. Client may terminate Engineer's obligation to provide further services upon twenty (20) days' written notice if Client abandons development of the Plant. In such event, all past due amounts for services rendered (including Subcontractor's fees, if any) and any unpaid reimbursable expenses shall be immediately due and payable by Client.

Article 8
Ownership of Work Product

8.1 Work Product. All tangible items prepared by Engineer, including but not limited to all drawings, specifications, calculations, data, notes and other materials and documents, including electronic data furnished by Engineer to Client and to Subcontractors under this Agreement ("Work Product") shall be instruments of service, and Engineer shall retain the ownership and property interests therein, including the copyrights thereto.

8.2 Copies Provided to Client. Client may retain copies of Work Product for reference; provided, however, that Client may not make copies of the Work Product available without Engineer's written permission, and, granted such permission, may only do so to the extent the use of such copies of the Work Product directly pertains to the Services, the Plant, or the construction thereof. Pursuant to Section 8.1 of this Agreement, Engineer retains ownership of and property interests in any Work Product made available and/or copied.

8.3 Prohibited Use of Work Product. Reuse of the Work Product on any another Project without Engineer's written consent is prohibited. Client shall indemnify and hold harmless Engineer Responsible Parties against claims resulting from such prohibited reuse. Said items are not intended to be suitable for completion of this Project by others.

8.4 Derogation of Engineer's Rights to Work Product. Submittal or distribution of Work Product in connection with the performance and completion of the Services and the construction of the Project does not constitute publication in derogation of Engineer's rights and does not in any way diminish Engineer's Work Product rights established herein.

Article 9
Successors and Assigns

9.1 Successors. The Parties intend that the provisions of this Agreement are binding upon the Parties, their employees, agents, heirs, successors and assigns.

9.2 Written Consent Required. Neither Party shall assign, sublet, or transfer any interest in this Agreement without written consent of the other; provided, however, that Engineer may employ such Subcontractors as it may deem appropriate and may transfer or assign any interest in this Agreement or the Work Product to Design-Builder without consent of Client.

9.3 No Third-Party Beneficiaries. None of the provisions of this Agreement will be for the benefit of or enforceable by any person other than the Parties hereto, their successors and permitted assigns and legal representatives

Article 10
Warranty

10.1 No Warranty Extended. Engineer shall use reasonable care to reflect requirements of all Applicable Laws, rules, or regulations of which Engineer has knowledge or about which Client specifically advises in writing, which are in effect on the date of this Agreement. ENGINEER INTENDS TO RENDER SERVICES IN ACCORDANCE WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS, BUT NO OTHER WARRANTY IS EXTENDED, EITHER EXPRESS OR IMPLIED, IN CONNECTION WITH SUCH SERVICES. Client's rights and remedies in this Agreement are exclusive.

10.2 No Responsibility for Construction. Engineer shall not be responsible for construction of the Plant, contractors' construction means, methods, techniques, sequences, or procedures, or for contractors' safety precautions and programs, or for contractors' failure according to contract documents.

Article 11
Indemnification

11.1 Engineer's Indemnification. To the fullest extent permitted by law, Engineer shall indemnify and hold harmless Client, Client's officers, directors, partners, employees, and agents from and against any and all claims for bodily injury and for damage to tangible property caused solely by the negligent acts or omissions of Engineer or Engineer Responsible Parties and Engineer's Engineers in the performance and furnishing of Engineer's Services under this Agreement. Any indemnification shall be limited to the terms and amounts of coverage of the Engineer's insurance policies.

11.2 Client's Indemnification. To the fullest extent permitted by law, Client shall indemnify and hold harmless Engineer, Engineer's officers, directors, partners, employees, and agents and Engineer's Engineers from and against any and all claims for bodily injury and for damage to tangible property caused solely by the negligent acts of omission of Client or Client's officers, directors, partners, employees, agents, and Client's Engineers with respect to this Agreement or the Project.

11.3 Hazardous Materials Indemnification. In addition to the indemnity provided under this section, and to the fullest extent permitted by law, Client shall indemnify and hold harmless Engineer and its officers, directors, partners, employees, and agents and Engineer's Engineers from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of, or relating to the presence, discharge, release, or escape of asbestos, PCBs, petroleum, hazardous waste, or radioactive materials at, on, under, or from the Site.

Article 12
Article 22 Dispute Resolution

12.1 Arbitration. In an effort to resolve any conflicts that arise out of or relate to this Agreement, the Client and the Engineer agree that all disputes shall be submitted first to nonbinding mediation. If mediation does not resolve the conflicts, the controversy shall be decided by final and binding arbitration conducted in Minneapolis, Minnesota in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect, unless the Parties mutually agree otherwise.

The award of the arbitrator(s) shall be final and binding upon the Parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with Applicable Law by any court having jurisdiction thereof.

Engineer and Client expressly agree that any arbitration pursuant to this Section 12.1 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Engineer and Client will include appropriate provisions in all contracts they execute with other parties in connection with the Services to require such joinder or consolidation.

22.1 The prevailing Party in any arbitration, or any other final, binding dispute proceeding upon which the Parties may agree, shall be entitled to recover from the other Party reasonable attorneys' fees and expenses incurred by the prevailing Party.

Article 13
Confidentiality

13.1 Non-Disclosure Obligation. Except as required by court order, subpoena, or Applicable Law, neither Party shall disclose to third parties any confidential or proprietary information regarding the other Party's business affairs, finances, technology, processes, plans or installations, product information, know-how, or other information that is received from the other Party pursuant to this Agreement or the Parties' relationship prior thereto or is developed pursuant to this Agreement, without the express written consent of the other Party, which consent shall not be unreasonably withheld. The Parties shall at all times use their respective reasonable efforts to keep all information regarding the terms and conditions of this Agreement confidential and shall disclose such information to third Persons only as reasonably required for the permitting of the Project; financing the development, construction, ownership, operation and maintenance of the Plant; or as reasonably required by either Party for performing its obligations hereunder and if prior to such disclosure, the disclosing Party informs such third Persons of the existence of this confidentiality obligation and only if such third Persons agree to maintain the confidentiality of any information received. This Article 13 shall not apply to information that was already in the possession of one Party prior to receipt from the other, that is now or hereafter becomes a part of the public domain through no fault of the Party wishing to disclose, or that corresponds in substance to information heretofore or hereafter furnished by third parties without restriction on disclosure.

13.2 Publicity and Advertising. Neither Client nor Engineer shall make or permit any of their subcontractors, agents, or vendors to make any external announcement or publication, release any photographs or information concerning the Project or any part thereof, or make any other type of communication to any member of the public, press, business entity, or any official body which names the other Party unless prior written consent is obtained from the other Party, which consent shall not be unreasonably withheld.

13.3 Term of Obligation. The confidentiality obligations of the Parties pursuant to this Article 13 shall survive the expiration or other termination of this Agreement.

Article 14
Miscellaneous

14.1 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with, the substantive laws of the state of Minnesota, without regard to the conflict of laws provisions thereof.

14.2 Severability. If any provision or any part of a provision of the Agreement shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or

enforceability of the remaining provision or parts of the provision of the Agreement, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

14.3 No Waiver. The failure of either Engineer or Client to insist, in any one or more instances, on the performance of any of the obligations required by the other under this Agreement shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

14.4 Captions and Headings. The table of contents and the headings used in this Agreement are for ease of reference only and shall not in any way be construed to limit, define, extend, describe, alter, or otherwise affect the scope or the meaning of any provision of this Agreement.

14.5 Engineer's Accounting Records. Records of Engineer's personnel time, reimbursable expenses, and accounts between parties shall be maintained on a generally recognized accounting basis.

14.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same Agreement, and may be executed and delivered by facsimile signature, which shall be considered an original.

14.7 Survival. Notwithstanding any provisions herein to the contrary, the Work Product provisions set forth in Article 8 and the indemnity obligations set forth herein shall survive (in full force) the expiration or termination of this Agreement, and shall continue to apply to the Parties to this Agreement even after termination of this Agreement or the transfer of such Party's interest in this Agreement.

14.8 No Privity with Client's Contractors. Nothing in this Agreement is intended or deemed to create any legal or contractual relationship between Engineer and any Client contractor or subcontractor retained to perform the Phase I and Phase II Site work required of Client prior to the issuance of a Notice to Proceed pursuant to the Design-Build Agreement.

14.9 Amendments. This Agreement may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each Party.

14.10 Entire Agreement. This Agreement consists of the terms and conditions set forth herein, as well as the Exhibits hereto, which are incorporated by reference herein and made a part hereof. This Agreement sets forth the full and complete understanding of the Parties as of the Effective Date with respect to the subject matter hereof.

14.11 Notice. Whenever the Agreement requires that notice be provided to a Party, notice shall be delivered in writing to such party at the address listed below. Notice will be deemed to have been validly given if delivered (i) in person to the individual intended to receive such notice, (ii) by registered or by certified mail, postage prepaid to the address indicated in the Agreement

within four (4) days after being sent, or (iii) by facsimile, by the time stated in a machine-generated confirmation that notice was received at the facsimile number of the intended recipient.

If to Engineer, to:
Fagen Engineering LLC
501 W. Highway 212
P. O. Box 159
Granite Falls, MN 56241
Attention: John Austgen
Fax: (320) 564-4861

with a copy to:
Fagen, Inc.
501 W. Highway 212
P. O. Box 159
Granite Falls, MN 56241
Attention: Bruce Langseth
Fax: (320) 564-3278

If to Client, to:
Mr. Barry Elsworth
Green Plains Renewable Energy, LLC
9635 Irvine Bay Ct.
Las Vegas, NV 89147

14.12 Extent of Agreement. This Agreement and the Exhibits incorporated therein represent the entire agreement between the Parties and may be amended only by written instrument signed by both Parties.

14.13 Subrogation Waiver. The Parties waive all rights against each other, and against the contractors, Engineers, agents, and employees of the other for damages covered by any property insurance during construction, and each shall require similar waivers from their contractors, Engineers, and agents.

IN WITNESS WHEREOF, the Parties hereto have caused their names to be hereunto subscribed by their officers thereunto duly authorized, intending thereby that this Agreement shall be effective as of this October 4, 2005.

GREEN PLAINS RENEWABLE ENERGY, INC.

By:_____

Title:_____

Address for giving notices:

9635 Irvine Bay Ct.
Las Vegas, NV 89147

FAGEN ENGINEERING, LLC

By:_____

Title:_____

Address for giving notices:

501 West Highway 212
PO Box 159
Granite Falls, MN 56241

EXHIBIT A

FAGEN ENGINEERING LLC

Fee Schedule FY 2005

**

Subject to Revision January 1, 2006

- ---------------
The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Green Plains Renewable Energy, Inc.
Phase I and Phase II Engineering Agreement
October 4, 2005

EXHIBIT B

Fagen Engineering LLC
Reimbursable Expense Schedule

Effective January 1, 2005

**

Subject to Revision January 1, 2006

- ---------------
The "**" marks the location of information that has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT C

Client's Deliverable Site Obligations

Phase I Deliverables

Prior to Engineer's commencement of the Phase I Design Package work, the Client shall provide Engineer with the following Phase I Deliverables:

1. A legal description of the Site
2. Temporary and permanent easements, zoning, and other requirements and encumbrances affecting land use or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work
3. To the extent available, as-built and record drawings of any existing structures at the Site
4. Environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site
5. Preliminary approval from Client's Rail service provider of rail design as prepared by Client's Rail Designer.
6. Client's written approval of final site layout including rail design and environmental permitting emission points.
7. Review, comment, and written approval of Client's air permit application.
8. Topographic Survey to one (1) foot contours including property boundaries and at least two (2) benchmarks including existing service and utility lines.
9. Soil borings logs for all soil borings complete at Engineer's specified locations.
10. Geotechnical Report regarding subsurface conditions with Client's Geotechnical Engineer's recommendations from Engineer approved Geotechnical Engineer (Terracon is preferred) including soil borings, and any other surveys or information available describing other latent or concealed physical conditions at the Site.
11. On-site location for Storm Water discharge.
12. Preliminary NPDES discharge location for water discharges from utility discharges including, but not limited to the water pre-treatment system, water softeners, and cooling tower blowdown.
13. Preliminary indication of source, analysis, and location of Client's water supply.
14. Client's risk insurance provider's specific requirements for fire protection or approval to design fire protection to Liberty Insurance standards.
15. Any special sizing or other requirements for ethanol storage tank farm.
16. Preliminary location and design of administration building.

Phase II Deliverables

Prior to Engineer's commencement of the Phase II Design Package work, the Client shall provide Engineer with the following Phase II Deliverables:

1. Final location, source and quality of Client's water supply.
2. Off-site utility tie-in locations at or near the property lines (this includes, but is not limited to, gas supply, electrical supply, water supply if no on-site wells, on-site or off-site sanitary sewer)
3. Final NPDES discharge location for Utility Water Blowdown.
4. An insurance provider to allow the proper positioning and number of required hydrants and hydrants with monitors.
5. Written approval of final rail design from the Client's rail service provider.
6. Final location and design (general arrangement) of the Client's administration building.
7. Final water pre-treatment design and operating parameters.
8. Design and location of sanitary sewer discharge point of septic system.

BNSF RAILWAY COMPANY
BNSFC 307074
ALLOWANCE CONTRACT

Effective Date: 09/15/2005 Expiration Date: 09/14/2015

1. INTRODUCTION
This Allowance Contract ("Contract") is entered into 09/15/2005 by and between the party ("Customer") named and identified herein and the rail carrier(s) ("Railroad") named and identified herein.

GREEN PLAINS RENEWABLE ENERGY INC
9635 IRVINE BAY COURT, LAS VEGAS, NV. 89147

BNSF RAILWAY CO
PO BOX 961069, FORT WORTH, TX. 76161 -0069

Railroad agrees to perform the transportation for its portion of the Route(s) as specified in this Contract in exchange for Customer's utilization of Railroad in said movements. This Contract, including all amendments thereto and incorporated Transportation Services Agreement ("TSA") as defined below, comprises the entire Contract and merges and supersedes all prior understandings and representations between Customer and Railroad concerning the subject matter. As used in this Contract, references to the Contract shall include amendments thereto and the TSA as applicable.

The terms as set forth in this Contract have been arrived at after mutual negotiation and, therefore, it is the intention of the parties that its terms may not be construed against any of the parties by reason of the fact that it was prepared by one of the parties. The parties to this Contract will protect the confidentiality of the terms and conditions of this Contract. Only where a party is required by a court of competent jurisdiction or federal agency to reveal any of the terms and provisions of this Contract, or where all parties give their written consent to disclosure, will disclosure be allowed. The party making disclosure will notify the others in advance of such disclosure. If a third party requests a transportation contract to cover traffic moving in whole or in part under this Contract, Customer or Railroad may advise that a Contract covering the traffic exists and may reveal its duration and the identity of the parties to the Contract. Nothing in this confidentiality provision will preclude the use of this Contract by any party hereto to obtain financing.

Customer warrants it is the purchaser of transportation services covered by this Contract. At the request of Railroad, Customer shall make available to Railroad, Railroad's employees or Railroad's designated agent acceptable to Customer, at a reasonable time during normal business hours, records relating to this Contract.

2. TERM

This Contract becomes effective on 09/15/2005 and shall remain in effect through 09/14/2015.

3. RENEWABILITY

This Contract may only be renewed by mutual consent of the parties.

BNSF RAILWAY COMPANY
BNSFC 307074
ALLOWANCE CONTRACT

4. TRANSPORTATION SERVICE AGREEMENT

Railroad shall transport the commodity(ies) ("Commodity") as named in the TSA, including all incorporated attachments thereto attached hereto and made part of this Contract for Customer from the origin(s) ("Origin(s)") to the destination(s) ("Destination(s)") via the route(s) ("Route(s)") as set forth in the TSA attached hereto and incorporated herein. Rates and charges and adjustments thereto for shipments under this Contract are as shown in the TSA. In the event of any conflict between this Contract and the TSA, the TSA shall govern.

5. EQUIPMENT

Equipment used under this Contract and Amendments thereto shall be as described in the aforementioned TSA and in the Official Railway Equipment Register, RER 6412-Series.

Private Equipment:

When the equipment used under this Contract is privately owned or leased equipment of the Customer ("Private Equipment"), the following shall apply:

The Private Equipment used under this Contract shall be in serviceable condition for the safe transportation of commodity over rail lines and shall comply with all applicable statutes, regulations, rules, tariffs/rules books, classifications, standards and practices that would govern in the absence of this Contract. Compliance with the foregoing shall in no way relieve any party from any liabilities otherwise assumed under this Contract and it shall be the responsibility of the party providing the Private Equipment in any case to assure such compliance.

Use of Private Equipment is limited to cars which have been authorized by Railroad to operate over the rail lines of Railroad. Where OT-5 approval is applicable or required, this Contract does not commit Railroad to accept Private Equipment that does not have OT-5 approval from Railroad.

Railroad shall not be liable to Customer, and Customer shall indemnify and hold harmless Railroad, for all loss (including without limitation attorney's fees and other costs of litigation), damage or injury due to (a) any defects in Private Equipment, (b) improper loading practices, failure to properly close, secure and tender loaded or empty Private Equipment, (c) failure by the Customer (or its agents or contractors) to comply with the representations, warranties and covenants made in this Contract and with the rules applicable to Customer with respect to the movement of commodities contemplated by this Contract.

Acceptance of the Private Equipment and commodity in interchange by Railroad will not relieve Customer of its obligations under this Contract and shall not constitute waiver by Railroad of the obligations of Customer under this Contract.

Customer warrants that its interest in the equipment used under the Contract is sufficient to permit it to waive full payment of mileage allowances. Customer and Railroad agree that Railroad will not be liable for mileage allowances in excess of the obligation outlined in said TSA. In the event that a party other than Customer submits a claim to Railroad for mileage allowance payments in excess of Railroad's obligation under this Contract, Customer shall, at Railroad's option either (1) release, defend and indemnify Railroad from said claim including attorney's fees and cost of litigation, or (2) reimburse Railroad for excess mileage allowances paid by Railroad within thirty (30) days of notice by Railroad.

Railroad Equipment:

When the equipment is Railroad owned or leased, Railroad will provide this equipment consistent with its common carrier obligation.

Railroad reserves the right to furnish any type or size of equipment that meets the above description to fill car orders under this Contract and TSA.

6. HAZARDOUS MATERIAL TRANSPORTATION

If hazardous materials/waste is to be transported under this Contract, Equipment used under this Contract or TSA shall be as described in the aforementioned TSA and in the Official Railway Equipment Register, RER 6412-Series and tendered to Railroad in accordance with all applicable Hazardous Material Regulations of the U. S. Department of Transportation (DOT), as published in 49 C.F.R. Each bill of lading shall contain all information required by all applicable Rules (as defined below) governing the transportation of hazardous material/waste.

All shipments of any of the hazardous materials/waste tendered to Railroad under this Contract or TSA will be prepared for shipment, loaded and unloaded pursuant to all applicable Rules concerning the handling, packaging, disposing and transportation of hazardous materials/waste, including without limitation the Hazardous Materials Transportation Act (49 U.S.C. 1801 et. seq.), the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C 6901 et. seq.) and the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9615 et. seq.).

In the event of any leakage, release, spillage, dumping or other discharge of the commodity Customer shall provide prompt advice with respect to the proper method of cleanup, disposal and other remedial actions to take with respect to such discharge and both parties shall cooperate fully to the extent reasonably necessary to expeditiously and prudently abate or eliminate any hazard and to meet the requirements of all applicable Rules: PROVIDED, HOWEVER, that nothing contained in this paragraph shall alter the responsibilities and obligations of Customer nor the responsibilities and obligations of Railroad under this Contract or TSA.

7. GOVERNING PROVISIONS

Except as otherwise provided for in this Contract, shipments moving under this Contract will be governed by the tariffs/rules books, exempt circulars, rate memorandums, rules and regulations, including BNSF Rules Book 6100-Series, which would apply if this Contract were not in effect, except that origin and destination intermediate application rules will not apply. Customer acknowledges that it has received a copy of BNSF Rules Book 6100-Series. If, for any reason, any rule, regulation, or provision of any tariff/rules book, exempt circular or rate memorandum referenced under this Contract is canceled or becomes inapplicable, the last published provision that would have been applied will govern. In the event of conflict between the above-referenced rules, regulations, etc., which are herein incorporated by general reference, and this Contract, this Contract shall govern.

Railroad's obligation to provide service under this Contract shall be no greater than it would be as a common carrier. Services or other matters not specifically addressed in this Contract, including but not limited to, loss and damage liability and settlement, credit and collection, and track weight limitations, shall continue to be governed by rules, regulations, tariffs/rules books, and statutory provisions, as amended from time to time, which would apply if it were not for this Contract, and which are incorporated herein by reference.

Shipments under this Contract shall be governed by the terms and conditions set forth in the Uniform Straight Bill of Lading ("Bill of Lading") and are incorporated herein by reference and made a part hereof as if fully herein set forth; provided, however, that in the event of any conflict between said terms and conditions and any other provisions of this Contract and the TSA, the provisions of this Contract and the TSA shall govern.

8. DEMURRAGE PROVISIONS

Provisions of the applicable Demurrage tariffs/rules books will govern, except as otherwise noted herein or in the applicable TSA.

9. ALLOWANCE CONDITION

For each shipment made under this Contract, Railroad agrees to pay the allowance(s) specified in the TSA.

Customer must submit an electronic claim for allowance in writing on such basis as detailed in said TSA to callowance@bnsf.com. Such basis commencing with the Effective Date of this Contract ("Allowance Period") specifying the volume it has shipped under this Contract during that Allowance Period.

Electronic claim must include waybill date, waybill number, car initial, car number, claim amount, and any other applicable data in support of the requirements of this Contract. Each electronic claim shall contain reference to this BNSF Contract Number. In the event the customer is delinquent on any outstanding BNSF payments or charges, unless under dispute, BNSF reserves the right to withhold and/or deduct any refunds and/or allowance payments due the customer. Payments to BNSF that exceed the applicable payment terms are considered to be delinquent.

10. BILLING

Each shipment made under this Contract shall be evidenced by a Bill of Lading, Order Notify Bill of Lading ("Order Notify Bill of Lading") or Shipping Order (collectively referred to as the "Shipping Document."). All cars for each shipment are to be billed on one (1) Bill of Lading, Order Notify Bill of Lading or Shipping Order. At the time shipment is tendered the original and all copies of the Bill of Lading, Order Notify Bill of Lading or Shipping Order shall contain reference to the Contract Number assigned to this Contract. Any inadvertent omission of the Contract number shall not be deemed a breach hereof. The date appearing in the applicable Shipping Document as set forth above in this Section will govern as to the day on which a shipment was made. Except to the extent provided otherwise in any TSA or any incorporated attachment thereto, the date of shipment will govern as to the applicable rate or charges and tonnage requirements as covered by this Contract.

11. PAYMENT PLAN

Payments for services under this Contract are due and payable in accordance with Railroad's credit terms, as set forth in BNSF Rules Book 6100-Series.

12. ASSIGNMENT

Customer may not assign its rights or obligations under this Contract without the prior written consent of Railroad. If Railroad does consent to such assignment, Customer shall remain liable for the obligations assigned in the event the Assignee does not perform.

13. LOSS AND DAMAGE

Standard common carrier liability pursuant to 49 U.S.C. 11706 will apply on shipments made under this Contract. Accordingly, Railroad shall not be liable for any loss, damage or injury caused by an act of God, the public enemy, act of the Customer, a public authority, or inherent vice or nature of the goods. Railroad shall not be liable for any loss, damage or injury due to improper loading. Pursuant to 49 U.S.C.1 1706, all claims against Railroad must be brought within nine (9) months and all civil actions against Railroad must be brought within two (2) years.

14. FORCE MAJEURE

In the event any party cannot perform under this Contract due to or as a result of the following causes: acts of God, including, but not limited to flood, storm, earthquake, hurricane, tornado, or other severe weather or climatic conditions; acts of public enemy, war, blockade, insurrection, derailment, vandalism, sabotage, fire, accident, wreck, washout or explosion; labor strike or interference, lockout or labor dispute, shortage of diesel fuel, embargo or AAR service order or governmental law, orders or regulation, or breakage of machinery; and/or any like causes beyond the reasonable control of Customer or Railroad, the parties' obligations under this Contract shall be suspended to the extent made necessary by the Force Majeure event at the affected origin(s) and/or destination(s) during any such disability period insofar as it applies to the affected location(s). Suspension shall not result in extension of the term of this Contract.

If this Contract contains a minimum percentage or other volume requirement ("Minimum Volume"), then any shipments made contrary to the route(s) specified in this Contract due to a Force Majeure will be excluded in determining compliance with any minimum percentage requirement.

The party claiming Force Majeure shall take all reasonable steps to remove the Force Majeure event, and shall promptly notify the other party(ies) within a period of five (5) days, excluding weekends and holidays, when it learns of the existence of a Force Majeure condition and will similarly notify the other party(ies) within a period of five (5) days, excluding weekends and holidays, when a Force Majeure is terminated.

15. NOTICES

Any notice given under this Contract shall be effective when received. Notices, except as otherwise provided herein, shall be delivered to the party(ies) entitled to receive the same by personal delivery, First Class Mail, or by any electronic means which can produce a written copy. Notices shall be addressed to the appropriate party(ies) as shown in this Contract.

Any notice pertaining to a Force Majeure or to matters of an emergency or operating nature may be given by any reasonable means. Any notice given verbally shall be confirmed in writing by First Class Mail as soon as practicable, if requested by party(ies) receiving such notice.

16. LINE ABANDONMENT

The provisions of this Contract in no way obligates the Railroad to maintain any service schedules or to continue ownership, maintenance (including weight standards) or operations of any rail lines. Railroad will not be liable for any increased transportation costs or any other consequential, special, incidental, punitive or other damages that may result from such discontinuation.

If this Contract contains Minimum Volume requirements and Customer fails to satisfy the Minimum Volume requirements of this Contract due solely to Railroad's discontinuance of service(s) named in the above paragraph then, as Customer's sole remedy, the Minimum Volume requirements for the then current period shall be waived.

17. AMENDMENT

All amendments to the terms of this Contract or the TSA, shall be in writing and signed by the parties except as provided below in the Signatures section.

18. DEFAULT

If any party shall default in any material covenant, condition or obligation of this Contract which is not excused by Force Majeure, and continues in default for a period of ten (10) days after written notice is given to the defaulting party, the non defaulting party may, without prejudice to other rights and remedies, terminate this Contract by giving thirty (30) days written notice to the party in default.

If this Contract is terminated by Customer due to Railroad default, and Contract contains a Minimum Volume requirement, then all shipments which moved under this Contract during the then current Period (as used herein the term "Period" refers to the time frame in which Customer must comply with the Minimum Volume requirements) shall be determined as if the Minimum Volume requirements of this Contract have been met. If this Contract is terminated by Railroad due to Customer default, and Customer has not met the Minimum Volume requirements of this Contract for the then current Period, liquidated damages will be assessed in accordance with provisions contained in the Liquidated Damages section of the Contract and related attachments.

19. SEVERABILITY

Any part, term or provision of this Contract that is held to be unenforceable, illegal, against public policy, or in conflict with any federal, state or local laws, shall be severable from the rest of this Contract. The remaining portions of the Contract shall not be affected. The rights and obligations of the parties shall be construed and inferred as if the Contract did not contain the particular term, part, or provision held to be invalid, unless the invalid provisions contain the material financial terms of this Contract, or when considered in the aggregate, render the administration of this Contract unreasonably burdensome, in which case (unless new terms or provisions can be negotiated within three (3) months of written request for renegotiation by either party) this Contract shall be terminated. In the event of termination, and if the Contract contains Minimum Volume requirements, then the Minimum Volume requirements of this Contract will be waived for the then current Period.

20. MINIMUM VOLUME REQUIREMENT If Contract or the TSA contains a Minimum Volume Requirement, then Customer must submit written certification to the following:

BNSF Railway Company Attention: Contract Analyst Price Management
3001 Lou Menk Drive
Fort Worth, TX 76131-2815

with a copy to Railroad at address(es) as shown in The Official Railway Guide, within thirty (30) days after the close of each Period stating whether the Minimum Volume has or has not been met. Customer will, upon request, permit Railroad or its authorized agent to inspect Customer's shipping documents to verify that certification is correct. Customer shall retain such records for a period of three years after the close of each Period and this requirement shall survive the termination of this Contract.

Railroad or its agent will protect the confidentiality of such documents.

21. LIQUIDATED DAMAGES

If Customer fails to meet the Minimum Volume requirement of this Contract during any Period, Customer will pay BNSF, in addition to the freight charges that have already been assessed pursuant to this Contract, the amount specified set forth in this Contract or the TSA as applicable ("Liquidated Damages"). Customer acknowledges that such payments are not a penalty or forfeiture but are Liquidated Damages agreed upon as a reasonable substitution for BNSF's damages which are difficult to measure.

Payments to BNSF for Liquidated Damages, along with the supporting calculations, will be made within thirty (30) days after the close of the Period to:

BNSF Railway Company Attention: Contract Analyst Price Management
3001 Lou Menk Drive
Fort Worth, TX 76131-2815

In the event of late payments on liquidated damages, Customer shall submit to BNSF at the same address added interest at a rate of one and one-half percent (1 1/2%) for each month or portion thereof that the payment is late, or the maximum interest allowed by applicable law, if lower. Payment of liquidated damages hereunder to BNSF is not divisible or otherwise payable to any other participating Railroad(s).

22. GOVERNING LAW

This Contract and incorporated TSAs shall be governed by the laws of the State of Texas without regard to conflict of laws.

23. DISPUTE RESOLUTION

If a question or controversy arises between the parties concerning the observance, performance, interpretation or implementation of any of the terms, provisions, or conditions contained herein or the rights or obligations of either party under this Contract or the TSA, such question or controversy shall in the first instance be the subject of a meeting between the parties to negotiate a resolution of such dispute. If, within thirty (30) days after the meeting, the parties have not negotiated a resolution or mutually extended the period of negotiation, either party may seek resolution of the question or controversy pursuant to binding arbitration.

The party calling for arbitration ("Initiating Party") shall give written notice the other party setting forth: (a) a statement of the issues(s) to be arbitrated; (b) a statement of the claim showing that Initiating Party is entitled to relief; and (c) a statement of the relief to which the Initiating Party claims to be entitled. Within twenty (20) days from the receipt of such notice, the other party ("Receiving Party") may submit its written response and give notice in the same manner required above of additional issues to be arbitrated. The Initiating Party shall have ten (10) days from receipt of said response to respond to any issues submitted for arbitration by the Receiving Party.

Within sixty (60) days of the date of the Initiating Party's written notice requesting arbitration, each party shall designate a competent and disinterested person to act as that party's designated arbitrator, with the two (2) persons designated selecting a third neutral arbitrator within thirty (30) days of their designation. In the event the first two designated arbitrators cannot agree on the third neutral arbitrator, the neutral arbitrator shall be selected pursuant to the rules of the American Arbitration Association ("AAA"). The arbitration proceeding shall be conducted in accordance with the Commercial Arbitration Rules of the AAA.

The decision and award of the arbitration panel shall be rendered within thirty (30) days of the close of the arbitration proceeding. Any decision and award of the majority of the panel shall be final and binding upon the parties. The arbitrators shall not award punitive or exemplary damages against either party. Judgment

upon the decision or award rendered may be entered in any court of competent jurisdiction in the State of Texas in accordance with the Laws of the State of Texas. The parties shall each bear the expense of their respective designated arbitrator as well as their own fees and costs. The expense of the neutral arbitrator shall be shared equally by the parties.

24. LIMITATION OF DAMAGES

Neither party shall be liable to the other for any consequential, incidental, special or punitive damages arising out of this Contract or the TSA.

25. WARRANTY

The person(s) signing this Contract and the TSA on behalf of Customer and Railroad warrant that they have the authority to bind, and hereby binds, Customer and Railroad to all of the terms and conditions of this Contract and the TSA.

26. SIGNATURES

The parties acknowledge and agree that faxed signatures and/or electronic acceptance of the terms and conditions of this Contract and the TSA shall constitute acceptance of the terms and conditions of this Contract and the TSA as well as written amendments thereto.

Intending to be legally bound, the parties hereto have caused this Contract to be executed by their representatives as written below:

GREEN PLAINS RENEWABLE ENERGY INC

By /s/ Barry Ellsworth

President

Date:

BNSF RAILWAY CO

By

President

Date:

BNSF RAILWAY COMPANY
BNSFC 307074
ALLOWANCE CONTRACT
Transportation Service Agreement

Effective Date: 09/15/2005 Expiration Date: 09/14/2015

CUSTOMER

GREEN PLAINS RENEWABLE ENERGY INC is the Party who is designated to receive specified allowance payments. 9635 IRVINE BAY COURT, LAS VEGAS, NV. 89147

GREEN PLAINS RENEWABLE ENERGY INC is a Party also entitled to the price(s). 9635 IRVINE BAY COURT, LAS VEGAS, NV. 89147

GREEN PLAINS RENEWABLE ENERGY INC is the Party entitled to the price(s). 9635 IRVINE BAY COURT, LAS VEGAS, NV. 89147

GREEN PLAINS RENEWABLE ENERGY INC is the Party who is designated to receive either notifications of a price authority, amendments, revisions or supplements, or escalations, or matters pertaining to a Force Majeure or other matters of an emergency or operating nature. 9635 IRVINE BAY COURT, LAS VEGAS, NV. 89147

GREEN PLAINS RENEWABLE ENERGY INC is a signature Party to the contract. 9635 IRVINE BAY COURT, LAS VEGAS, NV. 89147

BNSF RAIL WAY CO is a signature Party to the contract. PO BOX 961069, FORT WORTH, TX. 76161-0069

EXHIBIT

- - Freight charges must be prepaid, or freight charges must be collect.
- - Price applies in US funds.
- - Prices in this Allowance Con tract alternate with other Allowance Contracts.
- - Allowance can be petitioned for on an Annual schedule and will be paid in 30 Days.
- - Allowances apply to BNSF portion of freight revenue only.
- - The parties agree that following terms and conditions apply:

1). Minimum average BNSF revenue requirement only:
The purpose of an average revenue requirement is to establish a base line that will generate BNSF a minimum return to compensate (per-car refund) GPRE for its funding of the Renovation Project as defined below in Section 6.

If market rates (see section 2) fall below the average minimum revenue requirement for any Con tract Year as defined below, BNSF shall have no obligation make any refunds, as set forth below in Section 4, to GPRE for that Contract Year. The rates identified in this section are not to be used for billing shipments.

Eastbound shipments (example: New York)
Weighted average minimum BNSF revenue portion per car: sin gle:$1890 unit:$1500*
- - does not constitute a rate offer

Westbound shipments (example: California)
Weighted average minimum BNSF revenue
portion per car: single: $4000 unit:$3330
- - does not constitute a rate offer

Southbound shipments (example: Texas)
Weighted average minimum BNSF revenue portion per car:

single: $2880 unit: $2230
- - does not constitute a rate offer
Southwest bound shipments (example: New Mexico)
Weighted average minimum BNSF revenue portion per car:
single: $3040 unit: $2570*
- - does not constitute a rate offer
Weighted average is based on 800 cars of corn, 1706 cars of ethanol, and 550 cars of DDGs. Rate factors used to calculate the weighted average revenue portion (BNSF only) are based from applicable tariff rates. Annual adjustment to the weighted average revenue portion (BNSF only) will be based on tariff changes subsequent to December 1, 2005.
* No corn unit train rates published. Weighted average is DDG and ethanol only. When/if corn unit train rates are published they will be factored same way as west/southbound weighted average.

2). Rates:
All rates will be market (tariff) based and subject to fuel surcharge and price escalation.
- - BNSF will maintain Shenandoah at equal rates to Red Oak based on like commodity (whole grains) and unit (train/single) size. This will apply as long as BNSF owns or operates on the Line.

3). Annual volume threshold (AVT):
3,100 loaded rail cars shipped via BNSF during each twelve-month period beginning with the AVT Date as defined below (Con tract Year) during the term of the Contract (inbound or outbound).
- - Minus 5% variance to the annual volume will not invoke the non-compliance provision.
- - The AVT will begin once the ethanol plant becomes operational as evidenced by the first loaded rail car billed from the ethanol plant (the AVT Date).
- - If the AVT is exceeded for a con tract year, the incremental volume above the base will be carried forward to apply to the immediate subsequent con tract year AVT. In no event will any incremental volume of a prior contract year be carried forward beyond one con tract year. The 5% variance will not be applicable during a con tract year that is credited with incremental volume from the immediate prior contract year

4). Refund payment:
Upon completion of the Project, BNSF agrees to reimburse GPRE for full construction cost of the project estimated at three million five hundred thousand or the actual construction cost of the Project whichever is lower. The said reimbursement will consist of fifty ($50) per loaded car on eastbound shipments routed BNSF direct, and/or one hundred fifty ($150) per loaded car on westbound shipments routed BNSF direct, and/or hundred ($100) per loaded car on south/southwest bound shipments routed BNSF direct subject to BNSF meeting its average minimum revenue requirement (see section 1). The refund per car will be paid on incremental shipments above 800 cars annually. No refund will be paid on the 800-car base volume comprised of corn, cracked corn, and/or soybean shipments. If less than 800 cars of corn, cracked corn, and/or soybeans are shipped then refund will apply to incremental cars, (other than corn, cracked corn, and/or soybean shipments). BNSFs obligation to make refund payments is contin gent upon GPRE meeting the AVT. BNSF will remit payment of any reimbursements due within 45 days after the applicable calendar quarter. BNSF has no obligation to make the payments if the AVT are not met. Upon payment by BNSF to GPRE, BNSF shall have no further obligation or liability with regard to such payments. GPRE agrees to indemnify and hold BNSF harmless from any

claims with regard to such payments once BNSF has paid GPRE.
If the AVT is not met during an applicable annual period and BNSF has paid GPRE a refund amount based on actual shipments, then BNSF may (at its own discretion) withhold future payments until that applicable period and the immediate subsequent periods AVT are met. In other words, shipments in the immediate subsequent annual period will need to meet the AVT for that time frame and generate incremental shipments above the AVT to cover the prior period shortfall. This process will be applicable for any shortfall annual period. Once the AVT is met, BNSF will resume refund payments.
In the event, the line is sold (per Section 5) any outstanding balance of dollars owed GPRE by BNSF for line renovation will either be paid as a lump sum, per car refund, subtracted from purchase price to buyer (transferred to GPRE, if not purchaser) or other means determined by BNSF to satisfy repayment to GPRE. In no event will the original timeline to satisfy payment, be extended with change in the method of payment unless agreed by the parties.
Any payment by BNSF is subject to GPRE meeting the AVT. Any shortfall will be reduced from the selected method of payment upon change of ownership to the line.

5). BNSF operations
It is BNSF's current intent to provide rail service on this line (Red Oak to Shenandoah). However, BNSF reserves the right to lease or sell the line to another operator if, in BNSF's sole judgement, continued operations by BNSF are not economically feasible. If BNSF does sell or lease the line to another operator, BNSF shall give GPRE the first right of refusal to purchase or lease and operate the line. BNSF will provide a proposed price to purchase or lease the line segment, and GPRE will have 60 days from time of written proposal to accept or reject the terms. If GPRE rejects the proposal, the line segment will be bid to potential 3rd party operators, and GPRE will have the opportunity to participate in the bid process. However, best bid (by 3rd party operator) will be awarded the line segment and there will be no right of first refusal available to GPRE.
If GPRE chooses not to purchase or lease the line, and the line is sold or leased to a third party operator, such operator will be requested to honor the terms of this agreement and provide the service listed below. Unit train operations are defined as 95 cars for ethanol, 100 cars for DDGs and 110 cars for whole grains. Loads will be picked up upon release and returned (spot or place) empty as complete trains. Communication program will be established with BNSF's grain desk operation.
Any volume less than unit train operation is considered single car (merchandise) service.
- - Single-car service (non-unit train) will be handled by the Red Oak local. Depending on volume, service can be up to three (3) days per week (up and down on the same day). Based on volume to be released, BNSF will design a service plan to meet the GPRE need. Volume will drive number of days of service.
If BNSF decides to abandon the line, GPRE will have first right of refusal to purchase and operate the line. BNSF will provide GPRE a Net Liquidated Value (NLV) at time time of proposed abandonment. GPRE will have 60 days from date of written notice to accept or get their own estimate (at GPRE expense). BNSF reserves the right to accept or reject any 3rd party estimate. If GPRE elects not to purchase the line and there is no sale to a 3rd party, then the line will be abandoned and any outstanding refund payment to GPRE will be forfeit.
GPRE will be required to meet BNSF operating requirements same as any 3rd party operator.

6). Line Renovation:
GPRE will be responsible for any renovation as defined in this agreement from Mile Post 1.05 to Mile Post 20.05 on Farragut spur. Estimated cost of three million five hundred thousand ($3.5 million) will be paid in advance to BNSF for work order placement (project scheduling, materials, etc.) for the

initial renovation of the Line (Renovation Project). Payment from GPRE to BNSF shall be by certified check to: Assistant Manager, Miscellaneous Receivables, BNSF Railway Co., 920 S. E. Quincy, Topeka, KS 66612-1116. BNSF has no obligation to begin the Renovation Project (schedule maintenance ((start date)), order materials, etc.) until such payment is made to BNSF. The parties understand that the cost of the initial Renovation Project may vary depending on materials, labor, weather etc. if this occurs, it is estimated that any additional cost should not exceed 10% of the $3.5 million. BNSF shall have no obligation to pay for any cost. GPRE will be responsible for any additional cost. BNSF shall provide a summary of expenditures upon completion of the work described below. Any funds from the initial deposit made by GPRE not used in the renovation shall be refunded to GPRE. Refund payments shall be mailed to: Green Plains Renewable Energy, Inc.; Accounting Department, 9635 Irvine Bay Court, Las Vegas, NV 89147. BNSF will attempt to provide 180 days notice to GPRE for any additional line renovation programs. However, in extreme cases (e.g. acts of God or other significant events) BNSF may not be able to provide 180 days advance notification. However, BNSF will make every effort to provide as much lead time as possible to GPRE.

GPRE agrees, as part of the Renovation Project it has financial responsibility (BNSF will only perform labor) for the following:

a. Replace approximately 28,400 treated wooded cross ties and surface track following tie gang operation. This tie replacement program will result in the replacement of approximately 35% of the ties in the route. The remaining ties are in good condition and the next tie replacement program will likely be in approximately seven (7) years.
b. Place 22 each, 39-foot track panels (this includes rail, ties, and fasteners) in road crossings as part of the tie program. During this operation all crossings requiring upgrade will be totally rehabilitated with new rail ties, ballast, and crossing surface materials.
c. Replace treated wooden switch ties of varying lengths (10-foot to 17-foot) in 12 turnouts located on the route.
d. Relay 2 track miles of existing 90-lb. rail with secondhand continuous welded 115-lb. to 136-lb. rail. This relay represents a small portion of the total track miles of rail on the route. The remaining 90-lb. conventional rail on the route will need to be monitored very closely for increased defect rates and broken or cracked angle bars as the annual traffic increases and the heavier axle loads accumulate.
e. The upgrade plan will allow for 286,000-lb. loadings and increased annual traffic over the route at FRA Class 2 standards (25 MPH).
f. Future tie replacement and rail relay are the responsibility of GPRE. Funding will be handled in the same manner as described in the line renovation section. At that time, BNSF will provide an estimated cost breakdown of required repairs.

g. If BNSF has not received the funding described above by the start date of the Renovation Project, BNSF shall have no obligation under this Contract to perform the Renovation Project and shall have the option in its sole discretion to terminate the Contract upon 10 dayswritten n otice to GPRE.
h. If during the term of this Agreement, the Line needs additional renovation in BNSFs sole discretion (Subsequent Renovation), GPRE agrees to fund the Subsequent Renovation on the same basis as set forth in this Section. At that time, BNSF will provide an estimated cost breakdown of the required repairs. BNSF will refund for subsequent renovations on the same basis as defined in section 4. However, BNSF will not refund until prior renovation obligation is satisfied. If GPRE fails to make the required payment by the projected start date of the Subsequent Renovation, BNSF has no obligation to perform the Subsequent Renovation under this Con tract and in its sole discretion may terminate this Con tract upon 10 dayswritten notice to GPRE.

7). Line maintenance:
BNSF will be responsible for normal maintenance on the Line from Mile Post 1.05 to Mile Post 20.05 on Farragut spur provided that the AVT is met. If maintenance is performed by BNSF and the AVT is not met for that applicable period, then GPRE will be responsible for reimbursing BNSF for any maintenance costs incurred by BNSF during any Con tract Year. Payment to BNSF will be made within 45 days after receipt of bill for service performed. If payment is not made, BNSF will have the option to cease making any refund

payments until full amount is recovered, to add a surcharge on rates to GPRE based on a prorate basis (amount of BNSF maintenance dollars spent equally spread over actual volume shipped for the shortfall period) until full amount is recouped, or to recoup such amounts through other means as a lump-sum payment for the outstanding amount.

BNSF agrees it has responsibility for the following:

a. Track inspection: FRA (required by): one time weekly BNSF requirements (weather related): twice weekly or daily

b. Vegetation control: Entire line will have herbicide application (24' track section pattern) mechanical cutting will be necessary in all quadrants of public crossings

c. Ultrasonic rail detection: Minimum entire route will have an internal ultrasonic rail inspection performed one time per year. If defect rates begin to increase, the frequency of these tests will be increased as necessary. In conjunction with these tests, local track maintenance crews will follow closely behind inspection vehicles replacing all defect ive rails which are identified. BNSF will be responsible for replacing an average of 2 defects per track mile each year. If any segment of the route which is 3 miles in length or more, and exceeds 2 defects per track mile, BNSF (at its discretion) will be able to relay this portion to help keep maintenance cost in check.

d. Track resurfacing: In order to maintain the track to FRA Class 2 standards (25 MPH) on conventional (jointed) 90-lb. rail, an annual surfacing program will be necessary using a Production Tamper and Ballast Regulator. This surfacing crew could be required on the line for as much as 30 days per year depending upon precipitation, annual traffic, and other occurrences which could affect the surface of the track.

e. Gauging: All curves located on the line will need to be checked regularly to insure track gauge (distance between the inside edges of the two rails) remains with FRA standards. Should locations be noted where gauge widening has occurred, it will be necessary to bring in a Track Maintenance crew to repair the location by pulling the existing spikes, pulling the rail in so measurement is within standard, plugging the old spike holes and re-spiking the track to standard gauge. In the event the gauge widening is a result of defective tie conditions, the Track Maintenance crew will also be required to replace some ties in order to hold the gauge within standard.

f. Right-of-way fencing repairs: As necessary, the Track Maintenance crew will be required to repair any breaks which might occur in the fence line which divides BNSF property from the adjoining landowners.

g. Bridge inspection: All bridge structures on the line will be inspected at least twice in each calendar year. Any minor deficiencies noted will be repaired by a mobile Structures Maintenance crew. Any repairs that require structural work on a bridge shall be treated as a Subsequent Renovation and handled in accordance with Section 6 above.

h. Inspection includes all culverts located on the line to insure they are in good condition and clear of debris and able to handle runoff in the event of a storm. Any culverts located which are plugged or have debris build-up will be addressed by a Track Maintenance crew. Any repairs that require structural repairs to a culvert shall be treated as a Subsequent Renovation and handled in accordance with Section 6 above.

i. BNSF and FRA safe-handling require ments will govern.

j. Any needed maintenance of the Line beyond that described in this Section 7 shall be a Subsequent Renovation and shall be handled as set forth in Section 6 above.

k. Ditching: Insure there is adequate drainage away from track. Runoff from storms must be able to move quickly away from the track and not left standing in the vicinity of the track, or soft sub-grade conditions will occur resulting in a need for slow orders or additional track surfacing.

BNSF RAILWAY COMPANY
BNSFC 307074
ALLOWANCE CONTRACT
Transportation Service Agreement

l. Automated Crossing Warning Devices: Crossings protected by either flashers, or gates and flashers, must be inspected weekly per FRA standards. Any conditions noted during these inspections, such as bulbs not working, broken gates, or any other defective equipment noted, must be repaired quickly. This work is performed by a Signal Maintainer.

8). Completion
GPRE agrees to complete funding for the proposed ethanol plant and the Renovation Project by November 29 2005, and will remit to BNSF the necessary funds for Renovation Project by January 31, 2006. BNSF agrees to complete the renovations as soon as practicable thereafter. GPRE agrees to complete cons truction of the ethanol plant no later than June 30, 2007. The completion date of June 30, 2007 may be extended up to 60 days, if delays due to acts of God (weather) and/or disruption of cons truction due to labor disputes, material backlog, etc.) are primarily responsible in the delay of the plants operational startup. Notwithstanding the aforementioned dates, GPRE agrees to fund earlier than January 31, 2006 in the event that Green Plainsequity drive is completed prior to November 29, 2005. GPRE further agrees to cons truct the track (plant/facility) configuration pursuant to a design that is approved by BNSF. BNSF will complete the Renovation Project prior to ethanol plant becoming 100% operational (exceptions are receipt of funding, weather conditions, and/or availability of materials).
If GPRE fails to meet either of the requirements, BNSF at its sole discretion, may terminate the Contract upon ten (10) days written notice.

9). Confidentiality
The parties agree that the terms and conditions of this Letter of Agreement are confidential and shall not be disclosed by one party to any other party or entity without the prior written consent of the other party except as may be required by law.

10). Assignment Use
GPRE may not assign its rights and obligations under this Letter of Agreement and the contract without prior written consent of BNSF.

11). Term of the Contract
Except as otherwise provided above, the term of the Con tract shall be nine (9) years commencing from the effect ive date of the Con tract or the date of the first billed shipment from the ethanol plant (per section 8), whichever is later. If subsequent renovations are required, the term of this agreement will be extended by mutual agreement. Extension of this agreement will not be unreasonably withheld by either party.
- - The maximum amount to be paid under this price authority is 3,500,000 dollars.

SHARE EXCHANGE AGREEMENT

By and Among
GREEN PLAINS RENEWABLE ENERGY, INC.,
SUPERIOR ETHANOL, LLC,
and the
CONTROLLING MANAGER
As of February 22, 2006

SHARE EXCHANGE AGREEMENT

This Share Exchange Agreement (hereinafter the "Agreement") is entered into effective as of this 22nd day of February, 2006, by and among Green Plains Renewable Energy, Inc., an Iowa corporation (hereinafter "GPRE"), Superior Ethanol, LLC, an Iowa limited liability company (hereinafter "Superior"), Brian D. Peterson, a manager and the sole member of Superior (hereinafter "Controlling Manager").

RECITALS:

WHEREAS, Controlling Manager owns all of the membership interest of Superior (the "Superior Stock"). GPRE desires to acquire the Superior Stock in exchange for 100,000 shares of restricted voting common stock of GPRE (the "GPRE Stock"), making Superior a wholly-owned subsidiary of GPRE.

NOW THEREFORE, for the mutual consideration set out herein and other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I
DEFINITIONS

1.01 Definitions. Accounting terms used in this Agreement and not otherwise defined herein shall have the meanings provided by GAAP. Certain capitalized terms are used in this Agreement as specifically defined in this Section 1.1 as follows:

"Affiliate" means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with Superior (or other specified Person) and shall include (a) any Person who is an officer, director or beneficial holder of at least 10% of the outstanding capital stock of Superior (or other specified Person), (b) any Person of which Superior (or other specified Person) or any officer or director of Superior (or other specified Person) shall, directly or indirectly, either beneficially own at least 10% of the outstanding equity securities or constitute at least a 10% participant, and (c) in the case of a specified Person who is an individual, Members of the Immediate Family of such Person; provided, however, that Controlling Manager shall not be Affiliates of Superior for purposes of this Agreement.

"Agreement" is defined in the Preamble.

"Balance Sheet Date" is defined in Section 4.06.

"Bylaws" means all written rules, regulations, procedures, bylaws, operating agreements and all other similar documents, relating to the management, governance or internal regulation of a Person other than an individual, each as from time to time amended or modified.

"Charter" means the articles or certificate of incorporation, articles of organization, statute, constitution, joint venture or partnership agreement or articles or other charter of any Person other than an individual, each as from time to time amended or modified.

"Closing" is defined in Section 2.02.

"Code" means the federal Internal Revenue Code of 1986 or any successor statute, and the rules and regulations thereunder, as from time to time amended and in effect.

"Commission" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act, the Exchange Act or both.

"Contractual Obligation" means, with respect to any Person, any contracts, agreements, deeds, mortgages, leases, licenses, other instruments, commitments, undertakings, arrangements or understandings, written or oral, or other documents, including any document or instrument evidencing indebtedness, to which any such Person is a party or otherwise subject to or bound by or to which any asset of any such Person is subject.

"Controlling Manager" is defined in the preamble.

"Debt Funding Documents" is defined in Section 2.03(i).

"Employee Benefit Plan" means each and all "employee benefit plans" as defined in section 3(3) of ERISA, maintained or contributed to by Superior, any of its Affiliates or any of their respective predecessors, or in which Superior, any of its Affiliates or any of their respective predecessors participates or participated and which provides benefits to employees of Superior or their spouses or covered dependents or with respect to which Superior has or may have a material liability, including, (i) any such plans that are "employee welfare plans" as defined in section 3(1) of ERISA and (ii) any such plans that are "employee pension benefit plans" as defined in section 3(2) of ERISA.

"ERISA" means the Employee Retirement Income Security Act of 1974 or any successor statute and the rules and regulations thereunder, and in the case of any referenced section of any such statute, rule or regulation, any successor section thereof, collectively and as from time to time amended and in effect.

"ERISA Group", with respect to any entity, means any Person which is a member of the same "controlled group" or under "common control", within the meaning of section 414(b) or (c) of the Code or section 4001(b)(1) of ERISA, with such entity.

"Exchange Act" means the Securities Exchange Act of 1934, or any successor federal statute, and the rules and regulations of the Commission thereunder, all as from time to time amended and in effect.

"Financial Statements" is defined in Section 4.06.

"GAAP" means United States generally accepted accounting principles, as in effect from time to time, consistently applied.

"GPRE" is defined in the Preamble.

"GPRE Stock" is defined in the Recitals.

"Intellectual Property" is defined in Section 4.17(a).

"Intellectual Property Licenses" is defined in Section 4.17(d).

"Legal Requirement" means any federal, state or local law, statute, standard, ordinance, code, order, rule, regulation, resolution, promulgation or any final order, judgment or decree of any court, arbitrator, tribunal or governmental authority, or any license, franchise, permit or similar right granted under any of the foregoing.

"Material Adverse Effect" means a material adverse effect upon the business, assets, financial condition, income or prospects of the party in question.

"Members of the Immediate Family," as applied to any individual, means each parent, spouse, child, brother, sister or the spouse of a child, brother or sister of the individual, and each trust created for the benefit of one or more of such persons and each custodian of a property of one or more such persons.

"Other Intellectual Property" is defined in Section 4.17(c).

"Pension Plan" means each pension plan (as defined in section 3(2) of ERISA) established or maintained, or to which contributions are or were made by Superior or any of its Subsidiaries or former Subsidiaries, or any Person which is a member of the same ERISA Group with any of the foregoing.

"Person" means an individual, partnership, corporation, company, association, trust, joint venture, unincorporated organization and any governmental department or agency or political subdivision.

"Property" is defined in Section 2.03(i).

"Rescission Period" is defined in Section 5.03.

"Shares" is defined in Section 2.01.

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be from time to time amended and in effect.

"Superior" is defined in the Preamble.

"Superior Intellectual Property" is defined in Section 4.17(b).

"Superior Stock" is defined in the Recitals.

"Transaction Prerequisites" is defined in Section 2.03(h).

"Welfare Plan" means each welfare plan (as defined in section 3(l) of ERISA) established or maintained, or to which any contributions are or were made, by Superior or any of its Subsidiaries or any Person which is a member of the same ERISA Group with any of the foregoing.

ARTICLE II
SHARE EXCHANGE

2.01 Plan of Share Exchange. It is hereby agreed that the Superior Stock shall be acquired by GPRE at Closing in exchange for 100,000 shares of restricted GPRE Stock (the "Shares"). It is the intention of the parties hereto that this transaction will qualify as a corporate reorganization under Section 368(a)(1)(B) of the Code, and related or other applicable sections thereunder. However, neither party is making any representations or warranties regarding the tax treatment of this transaction.

2.02 Closing. The closing of the Agreement (the "Closing") shall take place in Salt Lake City, Utah, at the offices of Blackburn & Stoll, LC. The Closing shall take place on a date no later than February __, 2006 or at such other place and time as the parties may otherwise agree.

Notwithstanding the foregoing, the parties will endeavor in good faith to effectuate the Closing simultaneously in different locations to avoid the travel and additional expense of requiring all parties to be simultaneously located in the same place. In connection therewith, the parties will deliver, in escrow to opposing counsel and other appropriate parties, all assignments, instructions, documents, certificates, wire transfer instructions, escrow instructions and other matters and things necessary to effect Closing in such manner.

2.03 Conditions to Closing for GPRE. GPRE's several obligations to purchase Superior Stock pursuant to this Agreement on the Closing date are subject to the satisfaction, on or prior to the Closing date, of the following conditions:

(a) Representations and Warranties Correct. The representations and warranties made by Superior and Controlling Manager herein shall have been true and correct when made and shall be true and correct on and as of the Closing date, with the same force and effect as though made on and as of the Closing date, except for representations and warranties that are made as of a specific date which shall only be required to be true and correct as of such date.

(b) Performance. All covenants, agreements, and conditions contained in this Agreement to be performed or complied with by Superior and Controlling Manager on or prior to the Closing shall have been performed or complied with and neither Superior nor the Controlling Manager shall be in default in the performance of or compliance with any provisions of this Agreement.

(c) Compliance Certificates. Superior shall have delivered to GPRE a certificate of the manager of Superior, dated the date of the Closing date, certifying to the matters stated in Sections 2.03(a) and (b).

(d) Certified Documents. Superior shall have delivered to GPRE copies of each of the following which shall be true and correct copies in full force and effect as of the Closing date: (i) the Charter of Superior certified by Superior's secretary as of the Closing date; (ii) the Bylaws of Superior, certified by Superior's secretary as of the Closing date; and (iii) resolutions of the manager of Superior, the form and substance of which are reasonably satisfactory to GPRE, authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

(e) Consents. All consents and approvals to the transactions contemplated by this Agreement required to be obtained by Superior and/or Controlling Manager from any third party shall have been obtained.

(f) Legality. All authorizations, approvals or permits of any governmental authority or regulatory body that are required in connection with the lawful issuance and exchange of the GPRE Stock and the exchange of Superior Stock pursuant to this Agreement shall have been duly obtained and shall be in full force and effect.

(g) Due Diligence. After completing its due diligence investigation prior to the Closing, GPRE shall have determined that, in GPRE's sole discretion, the financial condition of Superior and the condition of Superior otherwise is suitable to GPRE. In the event that GPRE determines, in its sole discretion, that Superior is not suitable to GPRE for any reason whatsoever, then GPRE may rescind this Agreement prior to Closing by giving written notice to Superior prior to Closing. In the event of any such rescission, this Agreement thereafter shall be null and void and neither party shall have any obligation to the other.

(h) Transaction Prerequisites. At Closing, or at such later time as the parties may agree, the following shall have occurred (the "Transaction Prerequisites"):

(i) Superior will have had at least $210,000 in its bank account(s).

(ii) The land that Superior has options on pertaining to the proposed site shall have been awarded a complete property tax abatement from Dickinson County, Iowa, for a period of twelve years, with three additional years of a tax abatement of 50% (fifty percent).

(iii) The land that Superior has options on pertaining to the proposed site shall be zoned "heavy industrial" and shall also have any other special zoning or zoning permits required to allow construction of the proposed ethanol plant.

(i) Transaction Documents. At Closing, or at such later time as the parties may agree, Superior shall deliver to GPRE the following (the "Debt Funding Documents"):

(i) Ten year pro forma financial statements prepared by Christianson & Associates, PLLP, in a form that is reasonably acceptable to the lender(s) that GPRE solicits to obtain funds for the construction of an ethanol plant in or near Superior, Iowa. The parties agree that such financial statements shall be prepared post-Closing at GPRE's expense.

(ii) A feasibility study completed by PRX Pro Experts relating to the Property.

(iii) Superior shall have options to acquire at least 135 (one hundred thirty five) acres of continuous real property in Dickinson County, Iowa (the "Property").

(j) General. All instruments and legal and corporate proceedings in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to GPRE, and GPRE shall have received copies of all documents, including records of corporate proceedings and officers' certificates, which they may have reasonably requested in connection therewith.

2.04 Conditions to Closing for Superior. Superior's several obligations to enter into the transactions described in this Agreement on the Closing date are subject to the satisfaction, on or prior to the Closing date, of the following conditions:

(a) Representations and Warranties Correct. The representations and warranties made by GPRE herein shall have been true and correct when made and shall be true and correct on and as of the Closing date with the same force and effect as though made on and as of the Closing date.

(b) Performance. All covenants, agreements and conditions contained in this Agreement to be performed or complied with by GPRE on or prior to the Closing shall have been performed or complied with and GPRE shall not be in default in the performance of or compliance with any provisions of this Agreement.

(c) Compliance Certificates. GPRE shall have delivered to GPRE a certificate of the chief executive officer or chief financial officer of GPRE, dated the date of the Closing date, certifying to the matters stated in Sections 2.04(a) and (b).

(d) Certified Documents. GPRE shall have delivered to Superior copies of each of the following which shall be true and correct copies in full force and effect as of the Closing date: (i) the Charter of GPRE certified by GPRE's secretary as of the Closing date; (ii) the Bylaws of GPRE, certified by GPRE's secretary as of the Closing date; and (iii) resolutions of the Board of Directors of GPRE, certified by GPRE's secretary as of the Closing date, the form and substance of which are reasonably satisfactory to GPRE, authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

(e) Consents. All consents and approvals to the transactions contemplated by this Agreement required to be obtained by any Seller from any third party shall have been obtained by such Seller.

(f) Legality. All authorizations, approvals or permits of any governmental authority or regulatory body that are required in connection with the lawful issuance and exchange of the GPRE Stock and the exchange of Superior Stock pursuant to this Agreement shall have been duly obtained and shall be in full force and effect.

(g) Due Diligence. After completing its due diligence investigation prior to the Closing, Superior shall have determined that, in Superior's sole discretion, the financial condition of GPRE and the condition of GPRE otherwise is suitable to Superior and its Controlling Manager. In the event that Superior

determines, in its sole discretion, that GPRE is not suitable to Superior or its Controlling Manager for any reason whatsoever, then Superior may rescind this Agreement by giving written notice to GPRE. In the event of any such rescission, this Agreement thereafter shall be null and void and neither party shall have any obligation to the other.

(h) General. All instruments and legal and corporate proceedings in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to Superior, and Superior shall have received copies of all documents, including records of corporate proceedings and officers' certificates, which they may have reasonably requested in connection therewith.

2.05 Other Events Occurring at Closing. At Closing, the following shall be accomplished:

(a) All of the manager and officers, if any, of Superior shall resign and the nominees identified by GPRE shall have been appointed.

(b) This Agreement shall have been duly authorized, executed, and delivered by the parties hereto and a copy of such executed agreement shall have been delivered to GPRE and Controlling Manager.

(c) Such other instruments, documents and certificates, if any, as are required to be delivered pursuant to the provisions of this Agreement shall have been duly authorized, executed and delivered by the parties thereto and a copy of such executed instruments, documents and certificates shall have been delivered to GPRE.

(d) All of the certificates representing the Superior Stock shall be delivered to GPRE, duly and validly endorsed for transfer to GPRE.

(e) The GPRE Stock certificates representing the shares to be issued and delivered to the Controlling Manager as described herein shall be issued and held by GPRE for delivery pursuant to the provisions of Section 5.05.

(f) GPRE shall deliver to Superior a certificate of good standing of GPRE issued by the Secretary of State of Iowa and such certificate dated no earlier than thirty (30) days prior to the Closing.

(g) Superior shall deliver to GPRE a certificate of good standing of Superior issued by the Secretary of State of Iowa and such certificate dated no earlier than thirty (30) business days prior to the Closing.

ARTICLE III
REPRESENTATIONS OF GPRE

GPRE hereby represents and warrants to Controlling Manager as follows:

3.01 Authorization. All shareholder approval and corporate action on the part of GPRE necessary for the due authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated herein has been or will be taken prior to the Closing date. This Agreement is a legal, valid and binding agreement of GPRE, enforceable in accordance with its terms. The execution, delivery and performance by GPRE of this Agreement and the issuance and exchange of the GPRE Stock will not result in any violation of or be in conflict with, or result in a breach of or constitute a default under, any term or provision of any Legal Requirement to which GPRE is subject, or any Charter or Bylaws, or any Contractual Obligation to which GPRE is a party or by which GPRE is bound.

3.02 Organization. GPRE is a duly organized and validly existing corporation in good standing under the laws of Iowa. GPRE is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which it does business, except where the failure to be so qualified would not have a Material Adverse Effect.

3.03 Corporate Power. GPRE has all necessary corporate power and authority to enter into and perform this Agreement, to issue and sell the GPRE Stock, to own all the properties owned by it and to carry on the businesses now conducted or presently proposed to be conducted by it. GPRE has taken all corporate action necessary to authorize this Agreement and the issuance of the GPRE Stock to be issued and exchanged hereunder.

3.04 Capitalization. As of the date hereof, the authorized capital stock of GPRE consists of 25,000,000 shares of common stock, $.001 par value per share, of which 4,220,990 shares are outstanding. All of the outstanding shares of capital stock of GPRE, including the GPRE Stock to be issued pursuant to this Agreement, will be, upon consummation of the transactions contemplated by this Agreement, validly issued, fully paid, nonassessable and subject to no lien or restriction on transfer, except restrictions on transfer imposed by applicable securities laws. All of the outstanding shares of capital stock have been offered and exchanged in compliance with applicable federal and state securities laws. GPRE has no outstanding (i) rights (either preemptive or otherwise) or options to subscribe for or purchase, or any warrants or other agreements providing for or requiring the issuance of, any capital stock or any securities convertible into or exchangeable for its capital stock, (ii) obligation to repurchase or otherwise acquire or retire any of its capital stock, any securities convertible into or exchangeable for its capital stock or any rights, options or warrants with respect thereto, (iii) rights that require it to register the offering of any of its securities under the Securities Act or (iv) any restrictions on voting any of its securities.

3.05 Accredited Investor Status. GPRE is a sophisticated and an "accredited investor" as defined under Rule 501 of Regulation D as promulgated under the Securities Act.

3.06 Litigation. No litigation or proceeding before, or investigation by, any foreign, federal, state or municipal board or other governmental or administrative agency or any arbitrator is pending or, to GPRE's knowledge, threatened (nor to GPRE's knowledge, does any basis exist therefor) against GPRE or, to GPRE's knowledge, any officer of GPRE, which individually or in the aggregate could result in any material liability or which may otherwise result in a Material Adverse Effect, or which seeks rescission of, seeks to enjoin the consummation of, or which questions the validity of, this Agreement or any of the transactions contemplated hereby.

3.07 Disclosure. GPRE's Registration Statement on Form S-1, filed with the Commission on March 7, 2005, and GPRE's subsequent filings with the Commission did not contain any untrue statement of a material fact, nor omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the filing date. Neither this Agreement, nor any agreement, certificate, statement or document furnished in writing by or on behalf of the GPRE in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

ARTICLE IV
REPRESENTATIONS OF SUPERIOR AND CONTROLLING MANAGER

Superior and Controlling Manager, jointly and severally, represent and warrant to GPRE as follows:

4.01 Authorization. All approvals and company action on the part of Superior necessary for the due authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated herein has been or will be taken prior to the Closing date. This Agreement is a legal, valid, and binding agreement of Superior and the Controlling Manager, enforceable in accordance with its terms. The execution, delivery and performance by Controlling Manager and Superior of this Agreement and the transfer of Superior Stock will not result in any violation of or be in conflict with, or result in a breach of or constitute a default under, any term or provision of any Legal Requirement to which any Controlling Manager or Superior is subject, or Superior's Charter or Bylaws, or any Contractual Obligation to which any Controlling Manager or Superior is a party or by which any such party is bound.

4.02 Organization. Superior is a duly organized and validly existing limited liability company in good standing under the laws of Iowa. Superior is duly qualified to do business as a foreign company and is in good standing in each jurisdiction in which it does business, except where the failure to be so qualified would not have a Material Adverse Effect.

4.03 Company Power. Superior and Controlling Manager have all necessary power and authority to enter into and perform this Agreement and Controlling Manager has the power and authority to sell the Superior Stock he owns hereunder. To the best of its knowledge with investigation, Superior has all necessary power and authority to own all the properties owned by it and to carry on the businesses now conducted or presently proposed to be conducted by it. Superior and Controlling Manager have taken all action necessary to authorize this Agreement and the sale of the Superior Stock to be exchanged hereunder.

4.04 Subsidiaries. Superior has no Subsidiaries.

4.05 Capitalization. The authorized capital stock of Superior as of the date of the Agreement is one million (1,000,000). The number of shares of Superior Stock outstanding as of the date of this Agreement is one thousand (1,000). All of the outstanding shares of capital stock of Superior are validly issued, fully paid, nonassessable and the shares of capital stock owned by the Controlling Manager are subject to no lien or restriction on transfer, except restrictions on transfer imposed by applicable securities laws or as otherwise set forth in Schedule 4.05. All of the outstanding shares of capital stock have been offered and issued, and will be exchanged at Closing in compliance with applicable federal and state securities laws. Other than as set forth in Schedule 4.05, Superior has no outstanding (i) rights (either preemptive or otherwise) or options to subscribe for or purchase, or any warrants or other agreements providing for or requiring the issuance of, any capital stock or any securities convertible into or exchangeable for its capital stock, (ii) obligation to repurchase or otherwise acquire or retire any of its capital stock, any securities convertible into or exchangeable for its capital stock or any rights, options or warrants with respect thereto, (iii) rights that require it to register the offering of any of its securities under the Securities Act or (iv) any restrictions on voting any of its securities.

4.06 Financial Statements. GPRE has been furnished with complete and correct copies of the following financial statements of Superior (the "Financial Statements"): (a) the unaudited balance sheet of Superior as of January 31, 2006 (the "Balance Sheet Date") and (b) the unaudited transaction report of Superior as of January 31, 2006, and (c) any tax return prepared for Superior or for Controlling Manager that relates to Superior for the tax period ending December 31, 2005 together with the unaudited balance sheet of Superior as of December 31, 2005. The Financial Statements have been prepared in accordance with GAAP consistently applied, except that the Financial Statements do not contain the notes required by generally accepted accounting principles, and fairly and accurately present the financial condition of Superior at the date thereof and the results of its operations for the period covered thereby. All the books, records and accounts of Superior are accurate and complete, are in accordance with good business practice and all laws, regulations and rules applicable to Superior the conduct of its business and accurately present and reflect all of the transactions described therein.

4.07 Outstanding Debt: Absence of Liabilities. Superior (i) does not have any outstanding indebtedness for borrowed money except as reflected in the Financial Statements or Schedule 4.07 and (ii) except as reflected, is not a guarantor or otherwise contingently liable on such indebtedness of any other Person. Except as set forth in Schedule 4.07, Superior, to the best of its knowledge with investigation, does not have any material liabilities or obligations, contingent or otherwise, which are not reflected or provided for in the Financial Statements.

4.08 Changes in Condition. Since the Balance Sheet Date, there have occurred no event or events that, individually or in the aggregate, have caused or will cause a Material Adverse Effect. Except as set forth in Schedule 4.08, since the Balance Sheet Date, Superior has not (a) declared any dividend or other distribution on any shares of its capital stock, (b) made any payment (other than compensation to its directors, officers and employees at rates in effect prior to the Balance Sheet Date or for bonuses accrued in accordance with normal practice prior to the Balance Sheet Date) to any of its Affiliates, (c) increased the compensation, including bonuses, payable or to be payable to any of its directors, officers, employees or Affiliates, or (d) entered into any

Contractual Obligation, or entered into or performed any other transaction, not in the ordinary and usual course of business and consistent with past practice, other than as specifically contemplated by this Agreement.

4.09 Contractual Obligations. Schedule 4.09 contains, together with a reference to the paragraph pursuant to which each item is being disclosed, a correct and complete list of all Contractual Obligations of a material nature of Superior of the types described below:

(a) All collective bargaining agreements, all employment, bonus or consulting agreements, all pension, profit sharing, deferred compensation, stock option, stock purchase, retirement, welfare or incentive plans or agreements, and all plans, agreements or practices that constitute "fringe benefits" to any of the employees of Superior.

(b) All Contractual Obligations under which Superior is restricted from carrying on any business, venture or other activities anywhere in the world.

(c) All Contractual Obligations to sell or lease (as lessor) any of the properties or assets of Superior, except in the ordinary course of business, or to purchase or lease (as lessee) any real property.

(d) All Contractual Obligations pursuant to which Superior guarantees any liability of any Person, or pursuant to which any Person guarantees any liability of Superior.

(e) All Contractual Obligations pursuant to which Superior provides goods or services involving payments to Superior of more than $1,000 annually, which Contractual Obligation is not terminable by Superior without penalty upon notice of thirty (30) days or less.

(f) All Contractual Obligations with any Affiliate of Superior.

(g) All Contractual Obligations providing for the disposition of the business, assets, or shares of Superior or the merger or consolidation or sale or purchase of all or substantially all of the assets or business of any Person, and any letters of intent relating to the foregoing.

(h) All Contractual Obligations of Superior relating to the borrowing of money or to the mortgaging or pledging of, or otherwise placing a lien on, any asset of Superior (except liens imposed by operation of law in favor of landlords, suppliers, mechanics or others who provide services to Superior).

(i) All of the Contractual Obligations of Superior that are enforceable against Superior and, to Superior's knowledge, the other parties thereto in accordance with their terms, except that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws, from time to time in effect, which affect enforcement of creditors' rights generally. Superior is not in default under nor, to Superior's knowledge, are there any liabilities arising from any breach or default by any Person prior to the date of this Agreement of, any provision of any such Contractual Obligation. Upon request by counsel for GPRE, Superior will, prior to Closing, furnish to counsel for the GPRE true and correct copies of all Contractual Obligations listed in Schedule 4.09.

4.10 Insurance. To Superior's knowledge its insurance policies in full force and effect, written by reputable insurers licensed to write insurance in the states in which Superior conducts business, which insurance contracts provide for coverages which are usual and customary in its business as to amount and scope. Schedule 4.10 contains a correct and complete list and description of all insurance policies owned by Superior, correct and complete copies of which have previously been made available to GPRE. Superior is not in default under any of its insurance policies, nor has Superior received any notice of cancellation or intent to cancel or increase premiums with respect to present insurance policies. Schedule 4.10 also contains a list of all pending claims with any insurance company and any instances of a denial of coverage of Superior by any insurance company.

4.11 Transactions with Affiliates. Other than as set forth in Schedule 4.11, no Affiliate of Superior is a customer or supplier of, or is party to any Contractual Obligation with Superior.

4.12 Conformity With Legal Requirements. To the best of Superior's and the Controlling Manager' knowledge with investigation, (a) the operations of Superior as now conducted are not in violation of, nor is Superior in default under, any Legal Requirements presently in effect or Superior's Charter or Bylaws, and (b) Superior has all franchises, licenses, permits or other authority presently necessary for the conduct of its business as now conducted.

4.13 Benefit Plans. Superior does not, and has not previously had, any Employee Benefit Plans or Welfare Plans.

4.14 Employees. None of the employees of Superior are presently represented by a labor union, and no petition has been filed or proceedings instituted by any employee or group of employees with any labor relations board seeking recognition of a bargaining representative. Except as set forth in Schedule 4.14, to Superior's knowledge no controversies or disputes are pending between Superior and any of its employees. To Superior's knowledge, no employee of Superior is in violation of any term of any Contractual Obligation with a former employer relating to the right of any such employee to be employed by Superior because of the nature of Superior's business or the use of any trade secrets or proprietary information. Except as set forth in Schedule 4.14, each employee of Superior is an "employee at will" and may be terminated by Superior without payment of any amounts other than accrued wages.

4.15 Taxes. Superior has filed all federal, state and local tax and information returns which are required to be filed by it and such returns are true and correct. Superior has paid all taxes, interest and penalties, if any, reflected in such tax returns or otherwise due and payable by it. Superior has no knowledge of any material additional assessments or any basis therefor. The charges, accruals and reserves on the balance sheet of Superior as of the Balance Sheet Date in respect of taxes or other governmental charges are adequate in amount for the payment of all liabilities for such taxes or other governmental charges. Superior has withheld or collected from each payment made to its employees the amount of all taxes required to be withheld or collected therefrom and has paid over such amounts to the appropriate taxing authorities. Any deficiencies proposed as a result of any governmental audits of such tax returns have been paid or settled or are being contested in good faith, and there are no present disputes as to taxes payable by Superior.

4.16 Litigation. Except as set forth in Schedule 4.16, no litigation or proceeding before, or investigation by, any foreign, federal, state or municipal board or other governmental or administrative agency or any arbitrator is pending or, to Superior's knowledge, threatened (nor to Superior's knowledge, does any basis exist therefor) against Superior or, to Superior's knowledge, any officer of Superior, which individually or in the aggregate could result in any material liability or which may otherwise result in a Material Adverse Effect, or which seeks rescission of, seeks to enjoin the consummation of, or which questions the validity of, this Agreement or any of the transactions contemplated hereby.

4.17 Patents and Trademarks.

(a) "Intellectual Property" shall mean any or all of the following and all rights in, arising out of, or associated therewith anywhere in the world held by such Person and not otherwise in the public domain: (1) all United States, international and foreign patents and applications therefor (including provisional applications) and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (2) all inventions (whether patentable or not), patterns, drawings, blueprints, specifications, products in development, processes, applications, circuits, invention disclosures, improvements, trade secrets, proprietary information, know how, mask works (and all information contained in a mask but not yet fixed in a chip), technology, technical data and customer lists, and all documentation relating to any of the foregoing; (3) all copyrights, copyright registrations and applications therefor; (4) all industrial designs and any registrations and applications therefor throughout the world; (5) all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor and all goodwill associated therewith throughout the world; (6) all databases and data collections and all rights therein throughout the world; (7) all software including, but not limited to, (i) Superior's web-enabled customer relation management applications

that actively assists customers service representatives as well as customers directly in preventing and resolving benefit communications and administration problems in a highly personalized and customized manner (ii) as well as call source code, object code, firmware, development tools, files, records and data, all media on which any of the foregoing is recorded; (8) all permits, privileges or royalties; (9) all domain names and website addresses; (10) any similar, corresponding or equivalent rights to any of the foregoing and (11) all documentation related to any of the foregoing.

(b) Schedule 4.17 sets forth each item of Intellectual Property that is owned by Superior and that is used in or material to the conduct of Superior's business as it is currently conducted (the "Superior Intellectual Property"), including, without limitation, all software programs and databases, including any registration and/or application numbers therefor. Except as set forth on Schedule 4.17, Superior owns and will own on the Closing date each item of Superior Intellectual Property set forth on Schedule 4.17. Superior's patents, trademarks and copyrights that have been duly registered with, filed in or issued by, as the case may be, the U.S. Patent and Trademark Office and U.S. Copyright Office or other filing offices, domestic or foreign are listed on Schedule 4.17, and the same remain in full force and effect.

(c) Schedule 4.17 lists each item of Intellectual Property other than Superior Intellectual Property that is necessary for the conduct of, or otherwise material to, Superior's business as currently conducted and as planned to be conducted ("Other Intellectual Property"), including without limitation, all software programs. Superior has the right, by license or other agreement, to use each item of Other Intellectual Property.

(d) Schedule 4.17 sets forth all written or oral licenses, permissions and arrangements pursuant to which (a) Superior permits any Person to use any item of Superior Intellectual Property (b) Superior uses any Intellectual Property owned by any Person ((a) and (b) collectively, the "Intellectual Property Licenses"). Except as set forth on Schedule 4.17, all Intellectual Property Licenses are in full force and effect in accordance with their terms, and are free and clear of any Liens.

(e) Superior has delivered to GPRE correct and complete copies of (1) all registrations and applications for any Superior Intellectual Property; (2) all Intellectual Property Licenses listed on Schedule 4.17; and (3) copies of any assignments pursuant to which Superior owns any Superior Intellectual Property.

(f) Except as set forth on Schedule 4.17: To Superior's knowledge (1) Superior is not in material default under any Intellectual Property License, and to Superior's knowledge, no such material default is currently threatened; (2) the operation of Superior's business as currently conducted does not infringe the proprietary rights of any Person or constitute unfair competition or trade practices under the laws of any jurisdiction and Superior has not received any notice, oral or written, that alleges the contrary; (3) to Superior's knowledge, no Superior Intellectual Property and no Other Intellectual Property used by Superior under any Intellectual Property License is being infringed by any third party or group thereof; and (4) there is no claim or demand of any Person pertaining to, or any proceeding which is pending or, to Superior's knowledge, threatened, that challenges Superior's rights with respect to any item of Superior Intellectual Property or any Other Intellectual Property used by Superior, or the validity or enforceability of any item of Superior Intellectual Property, nor are there any claims that any default exists under any Intellectual Property License.

(g) Except as set forth on Schedule 4.17, no item of Superior Intellectual Property or Other Intellectual Property, or any Intellectual Property License, is subject to any outstanding order, ruling, decree, judgment or stipulation by or with any court, tribunal arbitrator, or other Governmental Authority that could affect the Seller's ability to use, license, or transfer such Superior Intellectual Property or its validity or enforceability.

(h) Superior has taken all steps that are reasonably required to protect Superior's rights in confidential information and trade secrets of Superior or Superior's business or provided by any third party to Superior. Without limiting the foregoing, Superior has, and enforces, a policy requiring each employee and contractor to execute proprietary information and confidentiality agreements in connection with Superior Intellectual Property.

4.18 Consents. No consent, approval, qualification, order or authorization of, or filing with any governmental authority is required in connection with the offer and transfer of the Superior Stock by Controlling Manager or the consummation of any other transaction pursuant to this Agreement.

4.19 Filings, Broker's Fees. Superior is not obligated to pay any broker's fee, finder's fee, investment banker's fee or other similar transaction fee in connection with the transactions contemplated hereby.

4.20 Minute Books. The minute books of Superior, which shall have been provided to counsel for GPRE prior to the Closing if requested, contain a complete record of actions taken at all meetings of directors and Controlling Manager since formation and reflect all such actions accurately in all material respects.

4.21 Real Property Holding Corporation. Superior is not a "United States real property holding corporation" as defined in section 897(c)(2) of the Code and Treasury Regulation section 1.897-2(b).

4.22 Disclosure. Neither this Agreement, nor any agreement, certificate, statement or document furnished in writing by or on behalf of Superior to GPRE by Superior or the Controlling Manager in connection herewith or therewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V
INDEMNIFICATION AND RESCISSION RIGHT

5.01 Indemnification. For a period of one year from the Closing, GPRE agrees to indemnify and hold harmless Controlling Manager, and for the same period Controlling Manager agree to indemnify and hold harmless GPRE, against and in respect of any liability, damage or deficiency, all actions, suits, proceedings, demands, assessments, judgments, costs and expenses including attorney's fees incident to any of the foregoing, resulting from any material misrepresentations made by an indemnifying party to an indemnified party, an indemnifying party's breach of covenant or warranty or an indemnifying party's nonfulfillment of any agreement hereunder, or from any material misrepresentation in or omission from any certificate furnished or to be furnished hereunder. The party claiming indemnity shall notify the indemnifying party and the indemnifying party shall have thirty (30) days in which to object. In the event of an objection, the dispute shall be settled by arbitration in Nevada pursuant to the rules of the American Arbitration Association.

5.02 Nature and Survival of Representations. All representations, warranties and covenants made by any party in this Agreement shall survive the Closing and the consummation of the transactions contemplated hereby for one year from the Closing date. All of the parties hereto are executing and carrying out the provisions of this Agreement in reliance solely on the representations, warranties and covenants and agreements contained in this Agreement and not upon any investigation upon which it might have made or any representation, warranty, agreement, promise or information, written or oral, made by the other party or any other person other than as specifically set forth herein.

5.03 Rescission Right. If, during the period beginning on the Closing date and ending on the 6 (six) month anniversary of the Closing (the "Rescission Period"), GPRE determines, in its sole discretion, that it is unable to build the proposed ethanol plant on the Property (i) primarily because of the form of any Debt Funding Document and/or the failure of any Transaction Prerequisite, or (ii) because GPRE is not allowed to build the proposed plant at the Superior site due to any action of a local government that would definitively stop GPRE from building an ethanol plant at the proposed site in Superior, then GPRE may rescind this Agreement by giving written notice of rescission to Controlling Manager during the Rescission Period and, effective immediately upon such notice and through no further action of the parties, this Agreement shall be rescinded. In such event, GPRE shall cancel the Shares and shall return all Superior securities to Controlling Manager. Notwithstanding the foregoing, GPRE may shorten but not lengthen the Rescission Period, in its sole discretion, by giving written notice of the same to Controlling Manager.

5.04 Negative Covenants. During the Rescission Period, Superior shall not, without the advanced written approval of Controlling Manager, which consent may be withheld in his sole discretion:

(a) Change any location of any of the places of business or of the establishment of any new, or the discontinuance of any existing, place of business of Superior;

(b) Spend any funds that are held by Superior;

(c) Declare or pay any distribution on any Superior securities;

(d) Liquidate or dissolve, or enter into any consolidation, merger, pool, joint venture, syndicate, or other combination, or sell, lease, or dispose of its business or assets as a whole or in part;

(e) Create, incur, assume, or be liable for, contingently or otherwise, any indebtedness for borrowed money that did not exist at the Closing, or become liable as a surety, guarantor, accommodation endorser, or otherwise, for or on the obligation of any other person, firm, or corporation; or

(f) Incur any contractual obligation(s) after the Closing date that involves, in the aggregate, more than $1,000.

5.05 Holdback. During the Rescission Period, GPRE shall hold the Shares for the benefit of Controlling Manager. Upon expiration of the Rescission Period the Shares shall immediately be delivered to Controlling Manager. In the event that GPRE exercises its rescission right, then the Shares will immediately be cancelled and no Shares shall be deliverable to Controlling Manager. Notwithstanding GPRE's possession of the Shares during the Rescission Period, Controlling Manager shall have and enjoy all rights and privileges of ownership thereof (other than possession) during such period, unless and until GPRE shall have exercised its rescission right pursuant to Section 5.03 above.

ARTICLE VI
MISCELLANEOUS

6.01 Further Assurances. At any time, and from time to time, after the Closing date, each party will execute such additional instruments and take such action as may be reasonably requested by the other party to confirm or perfect title to any property transferred hereunder or otherwise to carry out the intent and purposes of this Agreement.

6.02 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the respective parties hereto. The parties shall not have the right to assign their rights or obligations hereunder or any interest herein without obtaining the prior written consent of GPRE, Superior, and Controlling Manager.

6.03 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of (i) GPRE, (ii) Superior, and (iii) the Controlling Manager. Any amendment or waiver affected in accordance with this Section 6.03 shall be binding upon each party hereto.

6.04 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. One or more counterparts of this Agreement or any Exhibit or Schedule hereto may be delivered via facsimile and such facsimile counterpart shall have the same effect as an original counterpart hereof.

6.05 Notices. Any notice or other communication in connection with this Agreement shall be deemed to be delivered if in writing addressed as provided below and if either (a) actually delivered at said address, (b) in the case of a letter, seven business days shall have elapsed after the same shall have been deposited in the United States mails, postage prepaid and registered or certified, return receipt requested or (c) transmitted to any address outside of the United States, by telecopy and confirmed by overnight or two-day courier:

If to the GPRE, to it at Green Plains Renewable Energy, Inc., 7945 West Sahara Avenue, Suite 107, Las Vegas, NV, 89117, fax (702) 361.9308, attention: President, or at such other address as GPRE shall have specified by notice to the parties.

If to Superior, to it at 1739 Charles Avenue, Lawton, Iowa 51030, fax (712) 944-4928, attention: Brian Peterson, or at such other address as Superior shall have specified by notice to the parties.

If to Controlling Manager, to Brian Peterson at 1739 Charles Avenue, Lawton, Iowa51030, fax (712) 944.4928, or at such other address as Controlling Manager shall have specified by notice to the parties.

6.06 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Iowa.

6.07 Responsibility and Costs. All fees, expenses and out-of-pocket costs and expenses, including, without limitation, fees and disbursements of counsel, advisors and accountants, incurred by the parties hereto shall be borne solely and entirely by the party that has incurred such costs and expenses.

6.08 General. The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision hereof. The headings in this Agreement are for convenience of reference only and shall not alter or otherwise affect the meaning hereof. This Agreement and the other items referred to herein or therein constitute the entire understanding of the parties hereto with respect to the subject matter hereof and thereof and supersede all present and prior agreements, whether written or oral.

The undersigned have executed this Agreement as of the date first above written.

GREEN PLAINS RENEWABLE ENERGY, INC.

By: /s/ Barry Ellsworth

Name: Barry Ellsworth
Title: President

SUPERIOR ETHANOL, LLC

By: /s/ Brian Peterson

Name: Brian Peterson
Title: Manager

By: /s/ Brian Peterson

Name: Brian Peterson, individually

Exhibit 21.1

SCHEDULE OF SUBSIDIARIES

Name of Subsidiary	State of Incorporation
Superior Ethanol, LLC	Iowa

Exhibit 31.1

I, Barry A. Ellsworth, as Principal Executive Officer of the Company, certify that:

1. I have reviewed this report on Form 10-K of Green Plains Renewable Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2006

/s/ Barry A. Ellsworth

Barry A. Ellsworth
President and Principal Executive Officer

Exhibit 31.2

I, Dan Christensen, as Principal Financial Officer of the Company, certify that:

1. I have reviewed this report on Form 10-K of Green Plains Renewable Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2006

/s/ Dan Christensen

Dan Christensen
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Green Plains Renewable Energy, Inc. (the "Company") on Form 10-K for the period ending November 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barry A. Ellsworth, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Barry A. Ellsworth
- ----------------------------
President and
Principal Executive Officer
February 22, 2006

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Green Plains Renewable Energy, Inc. (the "Company") on Form 10-K for the period ending November 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dan Christensen, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Dan Christensen
- ---------------------------
Treasurer and
Principal Financial Officer
February 22, 2006