

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

RABBE FARMS LLP, et al,

Debtor,

(includes:

Rabbe Ag Enterprises,
North Country Seed LLC)

Jointly Administered Under
Case No. 15-33479
Court File No. 15-33479

Court File Nos.

15-33481
15-33482
Chapter 11 Cases
Judge Kathleen H. Sanberg

SEPARATE FIFTH AMENDED DISCLOSURE STATEMENT OF
RABBE FARMS LLP
DATED JANUARY 13, 2017

THIS SEPARATE DISCLOSURE STATEMENT OF RABBE FARMS LLP (“**RABBE FARMS**” or “**DEBTOR**”) DATED JANUARY 13, 2017, RABBE FARMS’ SEPARATE PLAN OF LIQUIDATION DATED JANUARY 13, 2017, THE ACCOMPANYING BALLOT, AND THE RELATED MATERIALS ARE BEING FURNISHED BY THE DEBTOR, PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE, IN CONNECTION WITH THE SOLICITATION BY THE DEBTOR OF VOTES TO ACCEPT THE PLAN AS DESCRIBED IN THIS DISCLOSURE STATEMENT.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE SATISFIED. SEE SECTIONS 9.1 AND 9.2 OF THE PLAN. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF EQUITY INTERESTS IN, THE DEBTOR ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS DESCRIBED.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF ANY SECURITIES THAT MAY BE DEEMED TO HAVE BEEN ISSUED PURSUANT TO THE PLAN OR OF THIS DISCLOSURE STATEMENT, OR HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL SECURITIES AND IS NOT A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE WHERE SUCH OFFER OR SALE IS NOT PERMITTED.

TO THE EXTENT ANY TREATMENT UNDER THE PLAN IS DEEMED TO CONSTITUTE THE ISSUANCE OF A SECURITY, NONE OF SUCH SECURITIES WILL HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS, AND SUCH SECURITIES WILL BE ISSUED IN RELIANCE UPON EXEMPTIONS FROM THE SECURITIES ACT AND EQUIVALENT STATE LAWS OR SECTION 1145 OF THE BANKRUPTCY CODE.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE DEBTOR FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTOR'S KNOWLEDGE, INFORMATION AND BELIEF.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION IS CORRECT AT ANY TIME SUBSEQUENT TO THIS DATE AND THE DEBTOR UNDERTAKES NO DUTY TO UPDATE THE INFORMATION.

THIS DISCLOSURE STATEMENT AND THE RELATED DOCUMENTS ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING OR REJECTING THE PLAN. NO REPRESENTATIONS ARE AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING THE DEBTOR, ITS BUSINESS OPERATIONS, THE VALUE OF ITS ASSETS OR THE VALUES OF ANY INTERESTS DESCRIBED TO BE ISSUED OR BENEFITS OFFERED PURSUANT TO THE PLAN, EXCEPT AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT OR OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY THE BANKRUPTCY COURT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN AND CERTAIN OF THE PLAN DOCUMENTS. IF THERE IS ANY INCONSISTENCY BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY, REFERENCE TO THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN THE PLAN AND OTHER PLAN DOCUMENTS. ALL HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND THE PLAN DOCUMENTS, AND TO READ CAREFULLY THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSES OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND NOTHING STATED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PERSON, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTOR OR HOLDERS OF CLAIMS OR INTERESTS.

THIS DISCLOSURE STATEMENT CONTAINS STATEMENTS THAT ARE FORWARD-LOOKING. FORWARD-LOOKING STATEMENTS ARE STATEMENTS OF EXPECTATIONS, BELIEFS, PLANS, OBJECTIVES, ASSUMPTIONS, PROJECTIONS, AND FUTURE EVENTS OF PERFORMANCE. AMONG OTHER THINGS, THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS WITH RESPECT TO ANTICIPATED FUTURE PERFORMANCE OF THE DEBTOR, DETERMINATION OF CLAIMS, AND DISTRIBUTIONS ON CLAIMS. THESE STATEMENTS, ESTIMATES, AND PROJECTIONS MAY OR MAY NOT PROVE TO BE CORRECT. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE REFLECTED IN THESE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE SUBJECT TO INHERENT UNCERTAINTIES AND TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE RISKS, INCLUDING, AMONG OTHERS, THOSE DESCRIBED IN THIS DISCLOSURE STATEMENT. THE DEBTOR UNDERTAKES NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENT. NEW FACTORS EMERGE FROM TIME TO TIME AND IT IS NOT POSSIBLE TO PREDICT ALL SUCH FACTORS, NOR CAN THE IMPACT OF ANY SUCH FACTORS BE ASSESSED.

HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH HOLDER SHOULD CONSULT WITH HIS/HER/ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS WITH RESPECT TO ANY SUCH MATTERS CONCERNING THIS DISCLOSURE STATEMENT,

THE SOLICITATION OF VOTES TO ACCEPT THE PLAN, THE PLAN AND THE TRANSACTIONS DESCRIBED.

I. INTRODUCTION.

The Debtor's Separate Plan of Liquidation, which is proposed by Rabbe Farms, sets forth, among other things, the proposed treatment of claims and interests in accordance with the Bankruptcy Code.¹

This Disclosure Statement is intended to explain the Plan and provide adequate information to allow an informed judgment regarding the Plan. A copy of the Plan is included with this Disclosure Statement. If the Plan and this Disclosure Statement are not consistent, the terms of the Plan control. Definitions of some terms used in this Disclosure Statement and Plan may be found in Exhibit A.

A. Summary of the Plan.

On the Effective Date of the Plan, the Debtor will convey substantially all of its assets to its primary secured creditor, sell the remaining assets and distribute the proceeds.

B. Voting Procedures.

Ballots to be used for voting to accept or reject the Plan are enclosed with all copies of this Disclosure Statement mailed to all classes entitled to vote.

Please fill out, sign and mail the enclosed ballot to the following address:

Clerk of Bankruptcy Court
301 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

The deadline for delivery of ballots is _____, 2017.

DEBTOR URGES CREDITORS AND INTEREST HOLDERS TO VOTE IN FAVOR OF THE PLAN. DEBTOR BELIEVES THAT THE PLAN OFFERS THE BEST POSSIBLE RECOVERY FOR CREDITORS. QUESTIONS CONCERNING THE PLAN SHOULD BE ADDRESSED IN WRITING OR BY TELEPHONE TO DEBTOR'S COUNSEL.

C. Brief Explanation of Chapter 11.

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Upon the filing of a petition for reorganization under Chapter 11, Section 362 of the Bankruptcy Code generally provides for an automatic stay of all attempts to collect claims or enforce liens

¹ The Disclosure is titled "Separate" because Debtor's case is jointly administered with the Chapter 11 cases of two affiliates. This Plan and Disclosure Statement is that of Rabbe Farms only.

that arose prior to the commencement of the bankruptcy case or that otherwise interfere with a debtor's property or business.

The principal objective of a Chapter 11 reorganization is the confirmation of a plan of reorganization or liquidation. The plan sets forth the means for satisfying the claims of creditors and interests of equity holders of the debtor. The plan and a disclosure statement that contains information necessary to allow creditors and interest holders to evaluate the plan are sent to creditors and interest holders whose claims or interests are impaired, who then vote to accept or reject the plan.

A class of claims is entitled to vote to accept or reject a plan if that class is "impaired" by the plan. A class of claims is impaired unless the plan cures any defaults that may exist with respect to the claims or leaves unaltered the legal, equitable, and contractual rights to which the claim entitles the holder of the claim.

A plan may be confirmed under Section 1129(a) of the Bankruptcy Code if each class of claims or interests is not impaired by the plan or if each such class has voted to accept the plan. Votes will be counted only with respect to claims in impaired classes: (1) that are listed on the Debtor's Schedules other than as disputed, contingent or unliquidated; or (2) for which a proof of claim was filed on or before the bar date set by the Court for the filing of proofs of claim. However, any vote by a holder of a claim will not be counted if such claim has been disallowed or is the subject of an unresolved objection, or if such claim is treated in a class that is unimpaired under the plan, absent an order from the Court allowing such a claim for voting purposes. A class of claims has accepted a plan if creditors that hold at least two-thirds in amount and more than one-half in number of the allowed voting claims in the class have voted to accept the plan.

If an impaired class votes to reject the plan, the proponent of the plan can attempt to "cram down" the plan by confirming it under Section 1129(b) of the Bankruptcy Code. A plan proponent may cram down a plan upon a rejecting class only if another impaired class has voted to accept the plan, and the plan does not discriminate unfairly and is fair and equitable with respect to each impaired class that has not voted to accept the plan.

Voting on the plan by each holder of a claim in an impaired class is important. After carefully reviewing the Plan and Disclosure Statement, each holder of such a claim should vote on the enclosed ballot either to accept or reject the Plan. Any ballot that does not appropriately indicate acceptance or rejection of the Plan will not be counted. A ballot that is not received by the deadline will not be counted. If a ballot is lost, damaged, or missing, a replacement ballot may be obtained by sending a written request to the Debtor's attorney.

Section 1129(a) of the Bankruptcy Code establishes the conditions for the confirmation of a plan. These conditions are too numerous to be fully explained here. Parties are encouraged to seek independent legal counsel to answer any questions concerning the Chapter 11 process. Among the conditions for plan confirmation is that either each holder of a claim or interest must accept the plan, or the plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.

If the Plan is confirmed by the Court, its terms are binding on the Debtor, all creditors, equity interest holders and other parties in interest, regardless of whether they have accepted the Plan.

II. HISTORY AND DESCRIPTION OF THE JOINTLY-ADMINISTERED DEBTORS' BUSINESSES AND OPERATIONS.

A. Description

The Debtor's Chapter 11 case is jointly administered with the Chapter 11 cases of two affiliated entities, Rabbe Ag Enterprises (Bky. No. 15-33481) ("**Rabbe Ag**") and North Country Seed LLC (Bky. No. 15-33482) ("**NCS**") (together with Rabbe Farms, the three "**Debtors**").

Rabbe Farms

Rabbe Farms was originally organized as a general partnership by three partners, John J. Rabbe and his two sons, Joel S. Rabbe, and Jon E. Rabbe. Rabbe Farms elected to be treated as a limited liability partnership on December 27, 2000. Rabbe Farms LLP, when established, was the production agriculture (farming) entity that the three partners operated. Not only was Rabbe Farms actively involved in production agriculture - raising corn, commodity soybeans, and value added soybeans - but it also acquired farmland. Subsequently, it acquired four grain elevators to help support the farming enterprise.

As time went on, the three partners were advised that due to federal farm program payment limitations, a general partnership would be required, rather than a limited liability partnership. Hence Rabbe Ag was formed on January 1, 2003, to conduct the farming operations. Even after the inception of Rabbe Ag, Rabbe Farms continued to own farmland that was farmed by Rabbe Ag and to operate the four grain elevators.

The land owned by Rabbe Farms produces a large portion of the soybean production raised by Rabbe Ag. Not only does the Rabbe Farms land support the overall farm production acres, but more specifically it has become positioned to raise identity-preserved, value-added soybeans which ultimately allow the farming operation to enjoy enhanced margins.

In 2001, Rabbe Farms acquired the Persson Grain Co. of Trimont, Minnesota. The acquisition of Persson Grain Co. allowed Rabbe Farms to begin direct shipments of identity-preserved, value-added bulk soybeans and corn to customers in the Far East. Rabbe Farms adopted the assumed name "Rabbe Grain Co." In addition, the farmland owned by Rabbe Farms has been groomed over years to house the nursery plots for non-GMO seed and germ plasma developed by Galena Genetics, LLC a subsidiary of NCS. These plots range in field increments from 7.5 foot row length, to 15 foot row length, to 1 acre strips and contain new variety experiments.

In 2003, Rabbe Farms acquired grain storage facilities from WFS Co-op. The facilities were outdated by then-current grain handling standards, but were most conducive to handling and staging shipment of bulk identity-preserved products. Rabbe Farms adopted the assumed name "Rabbe Grain Elevator."

Approximately two years ago, Rabbe Farms became aware that its former accountant had been incorrectly booking grain transactions. To rectify the error, Rabbe Farms was required to restate its earnings which resulted in a negative adjustment in earnings of approximately \$14 million. Faced with this unexpected loss, Rabbe Farms immediately took steps to cut costs and improve earnings. One of the things Rabbe Farms did was to immediately terminate its grain handling and trading business. Rabbe Farms did this by closing out all third-party grain positions and renting out the elevators to FCA Co-op, a local co-op.

Rabbe Farms is a partnership governed by Minn. Stat. Ch. 323A. Rabbe Farms has qualified as a limited liability partnership under Minn. Stat. § 323A.1001. The partners in Rabbe Farms are Joel Rabbe, Jon Rabbe and Joyce Rabbe, each owing one-third of the partnership interests. Rabbe Farms owns the Farmland, the Elevators, the Bin Site and certain equipment. It also owns certain personal property in the form of equipment including grain legs and dryers used with the Trimont Elevator.

Rabbe Farms is the maker of two notes in favor of Farmers State Bank of Trimont ("FSB"). Note No. 1046-36 dated June 17, 2013 in the original principal amount of \$14,950,000.00, had a balance as of June 8, 2015 of \$14,950,000.00 exclusive of accruing and unpaid interest, and attorneys' fees, costs, and expenses. Note No. 1046-28 dated March 24, 2014 in the original principal amount of \$2,500,000.00, had a balance as of June 8, 2015 of \$2,500,000.00 exclusive of accruing and unpaid interest, and attorneys' fees, costs, and expenses. The obligations evidenced by Note Nos. 1046-36 and 1046-28 are referred to hereinafter as the "**Rabbe Farms FSB Debt.**" FSB has filed a proof of claim asserting that as of the Petition Date the aggregate balance due on the Rabbe Farms FSB Debt was \$17,353,407.20. The Rabbe Individuals have executed personal guarantees of the Rabbe Farms FSB Debt. Rabbe Farms has also executed a mortgage and security agreement in favor of FSB granting a mortgage in the Farmland, the Elevators and the Bin Site. The Rabbe Individuals have also executed a mortgage in certain farmland owned by them individually to FSB to secure their guarantees (the "**Rabbe Individuals' Land**").

FSB has asserted that property of Rabbe Ag also secures debt owed by Rabbe Farms to FSB pursuant to cross-collateralization provisions in certain loan documents. Rabbe Ag disputes the claim.

Rabbe Farms is also obligated to Welcome State Bank under loan no. 00-672276-50 with an approximate balance of \$175,100.11 according to a proof of claim filed by Welcome State Bank (the "**Welcome State Bank Debt**"). Welcome State Bank's claim is secured by a first mortgage lien in the Farmland 150.56 Acres of the Farmland owned by Rabbe Farms. FSB holds a first mortgage lien on the remaining 353 acres of the Farmland and a second mortgage lien on the Farmland 150.56 acres. Welcome State Bank has valued the Farmland 150.56 Acres in its proof of claim at \$1,453,300.00. Welcome State Bank is oversecured.

Rabbe Farms is also obligated to AgStar Financial Services (“**AgStar**”) under three separate loans, nos. 1234576700, 1234589200 and 123959550 with aggregate approximate balances of \$223,750.00 as of August 1, 2015 (the “**AgStar Debt**”). The AgStar Debt is secured by the grain legs, dryers and other equipment used with the Trimont Elevator. AgStar is oversecured.

Rabbe Ag

Rabbe Ag was formed on January 1, 2003. Rabbe Ag rents the Farmland from Rabbe Farms, the Rabbe Individuals’ Land, and farmland owned by unrelated third parties – in the aggregate approximately 3,000 acres) and raises corn and soybeans on the rented land. Rabbe Ag owns farm equipment and stored soybean seed. Crops grown and harvested by Rabbe Ag in 2015 have been sold. The 2016 crop has been harvested and exceeded 2015 levels. As of August 31, 2016, Rabbe Ag held approximately \$1.2 million in cash in the US Bank DIP Account, subject to liens of FSB. Rabbe Ag employs seasonal employees to help with planting and harvesting and has no permanent employees other than Jon Rabbe, its agronomist.

Rabbe Ag is a partnership governed by Minn. Stat. Ch. 323A. The partners in Rabbe Ag are Joel Rabbe, Jon E. Rabbe and Joyce Rabbe, each owing one-third of the partnership interests. Rabbe Ag is registered to do business as Rabbe Ag Enterprises.

Rabbe Ag is the maker of a note to FSB, Note No. 1046-39 dated June 30, 2015 in the original principal amount of \$500,000.00 (the “**Rabbe Ag FSB Debt**”). FSB has filed a proof of claim asserting that the balance due on the Petition Date was \$351,333.41. Rabbe Ag is also obligated to John Deere Credit Co. for secured equipment financing in the approximate amount of \$200,000 as of June 30, 2015 and to AgDirect for secured equipment financing in the approximate amount of \$53,000.00. Rabbe Ag is also indebted to one of its partners, Joyce Rabbe in the original principal amount of \$175,000 and to a non-debtor affiliate, Rabbe, Inc. for approximately \$110,000.00. Rabbe Ag is not a maker on, or guarantor of, any debt of either Rabbe Farms or NCS.

FSB had claimed that property of Rabbe Ag, including cash proceeds from the 2015 crop, also secures the Rabbe Farms FSB Debt pursuant to cross-collateralization provisions in certain loan documents. Rabbe Ag disputed that claim and commenced an adversary proceeding to determine the extent, if any, that property of Rabbe Ag is collateral for the Rabbe Farms FSB Debt or to avoid the security interest as a fraudulent transfer.

On January 22, 2016, FSB filed a proof of claim in the Rabbe Ag case asserting a fully secured claim of \$351,333.41. FSB did not claim any unsecured claim. On May 2, 2016, FSB filed an amended proof of claim in the amount of \$2,779,809.65. On June 23, 2016, Rabbe Ag filed a motion objecting to the amended proof of claim. A hearing on the motion had been scheduled for July 27, 2016.

North Country Seed LLC

NCS is a Minnesota limited liability company organized in 2007. NCS had been an

international marketer of high quality food grade soybeans. NCS currently employs approximately 6 people.

NCS is a Minnesota limited liability company. It has four members:

Joel Rabbe	33.330%
Jon Rabbe	33.330%
Joyce Rabbe	25.000%
Christensen Brothers	8.340%

It has a wholly owned subsidiary, Galena Genetics LLC (“**Galena**”). Financial reporting for Galena and NCS has always been done on a consolidated basis.

NCS is obligated to FSB under a mortgage loan (Note 66-14) in the original principal amount of \$225,000.00. FSB has filed a proof of claim asserting that as of the Petition Date, the balance due on Note 66-14 was \$184,378.35. NCS is also obligated to FSB under a line of credit (Note 66-21) in the original principal amount of \$1,255,000. FSB has filed a proof of claim asserting that as of the Petition Date, the balance due on Note 66-21 was \$1,267,225.75. NCS is also obligated to its member Joyce Rabbe for a loan in the amount of \$400,000 and to Rabbe Farms in the approximate amount of \$3.38 million.

B. Pre-petition Operating Results.

Rabbe Farms reported historical sales as follows:

2015 (through September 29)	\$ 324,289.00
2014	\$23,414,797.00
2013	\$33,487,241.00

Rabbe Ag reported historical sales as follows:

2015 (through September 29)	\$ 379,733.00
2014	\$3,528,963.00
2013	\$2,677,353.00

North Country Seed reported historical sales as follows:

2015 (through September 29)	\$12,990,305
2014	\$13,581,699
2013	\$ 6,876,991

The Debtors’ income statements and balance sheets for each of the years 2013, 2014 and stub year 2015 are attached as aggregate Exhibit B to this Disclosure Statement.

C. Events Leading to Chapter 11 Filing

The businesses operated by Rabbe Farms, Rabbe Ag and NCS had enjoyed steady growth over the years fueled in part by rising prices for corn and soybeans and the resulting increases in value of farmland. In the two years prior to the Petition Date, however, corn and soybean prices dropped and as a result so did the value of the farmland they are grown on.

Moreover, approximately fourteen months prior to the Petition Date, Rabbe Farms' management became aware that its former accountant had been incorrectly booking grain transactions for Rabbe Grain Co. (an assumed name of Rabbe Farms). The result was a negative adjustment in earnings of Rabbe Farms of approximately \$14 million. Rabbe Farms immediately took steps to cut costs and improve earnings. One of the things Rabbe Farms did was to terminate its grain handling and trading business. Rabbe Farms did this by closing out (paying) all third-party grain positions and renting out the Elevators to FCA Co-Op.

The three Debtors share a common management team. The Debtors' management team has taken various prepetition actions in response to the challenges described above. When the accounting errors were discovered, the Debtors retained new accountants, the Mankato CPA firm of Abdo, Eick & Meyer to restate the financial statements of Rabbe Farms. The restatement of the financial statements triggered a coverage covenant default in the Rabbe Farms loan documents with FSB. FSB declared a default and Rabbe Farms entered into negotiations with FSB for a forbearance agreement in order to pursue a mutually agreeable solution. The Debtors retained the Minneapolis law firm of Stinson Leonard Street to advise them of their legal rights and to assist in the negotiations with FSB. These negotiations culminated on August 15, 2014 with the execution of a Forbearance Agreement between FSB, Rabbe Farms, and the Rabbe Individuals. On June 19, 2015, a First Amended Forbearance Agreement was executed by FSB, Rabbe Farms, the Rabbe Individuals and also by Rabbe Ag. The First Amended Forbearance Agreement also established a balloon payment date of September 29, 2015 for the Rabbe Farms FSB Debt.

In addition to the First Amended Forbearance Agreement, FSB insisted that Rabbe Farms enter into a Deed in Lieu of Foreclosure Agreement dated June 19, 2015 (the **"DIL Agreement"**). Pursuant to the DIL Agreement, Rabbe Farms executed and delivered quit claim deeds to the Farmland to FSB to be held in escrow by Gislason & Hunter LLP as escrow agent and which could be recorded by FSB in the event that the obligations to FSB were not paid in full by September 29, 2015. The DIL Agreement also contained a provision by which Rabbe Farms or FSB could demand that the escrow holder would release the deeds to the demanding party upon the occurrence of an event of default under the First Amended Forbearance Agreement and upon providing a certificate establishing the breach to the other party and the escrow holder.

One of the requirements of the First Amended Forbearance Agreement was that Rabbe Farms, Rabbe Ag and North Country Seed make a proposal to FSB for a global resolution. FSB in turn upon receiving the proposal was to negotiate in good faith toward a global resolution. From July through September 2015, FSB and the Debtors participated in a farmer-lender mediation which failed to produce a global agreement. The Debtors have alleged that FSB failed

to negotiate in good faith and therefore breached the First Amended Forbearance Agreement.

On January 27, 2016, Rabbe Farms provided a written certificate establishing a breach of the DIL Agreement to FSB and made written demand or turnover of the deeds delivered to FSB under the DIL Agreement. FSB has refused to turnover the deeds and accordingly, on February 25, 2016, Rabbe Farms commenced an adversary proceeding, further described below, to compel turnover of these deeds or alternatively to determine that the deeds are in fact and law equitable mortgages which must be foreclosed by action by FSB. To protect Rabbe Farms interest in its property, Rabbe Farms has recorded a notice of pendency in the real estate records to give notice that the deeds held in escrow are disputed.

As part of their efforts to resolve their financial issues, the Debtors also hired an experienced turnaround consultant, Michael Fox of Matrix Associates. In August 2015, the Debtor retained experienced bankruptcy counsel in Lapp, Libra, Thomson, Stoebner & Pusch Chartered. All of these professionals have worked to reach a resolution outside a bankruptcy without success.

Prior to the bankruptcy filings, the Debtors obtained updated title work. Equipment valuations for Rabbe Ag were obtained prior to the filings and equipment valuations for NCS were obtained after the filings.

The Debtors were unable to repay all of the FSB Rabbe Farms Debt to FSB by September 29, 2016 and voluntary Chapter 11 petitions were filed for each of Rabbe Farms, Rabbe Ag and NCS on September 29, 2015.

D. Post-Petition Operating Results

The Debtor's cumulative cash receipts and disbursements from the commencement of the case through September 30, 2016 as reported on Form 2-B of the monthly operating report is attached hereto as Exhibit C to this Disclosure Statement.

II. THE DEBTORS' ASSETS.

Rabbe Farms

Rabbe Farms owned on the Petition Date real property including: (i) The Farmland -- approximately 503 acres in Martin and Watonwan counties; (ii) two grain elevators in Martin County; (iii) two grain elevators in Watonwan County; and (iv) the Bin Site. The aggregate assessed value of these properties (2015) is \$4,977,100. Rabbe Farms also owned personal property including equipment and accounts receivable with an estimated aggregate value as of the Petition Date of \$4,132,456.39. Included in this personal property is an account receivable owed by NCS in the amount of \$3,338,852.

As of August 31, 2016, Rabbe Farms reported holding cash of \$323,257.58.

Rabbe Farms also holds a malpractice claim against its former accountant who is now deceased. Rabbe Farms filed a claim in his probate estate for approximately \$40 million. The

claim was rejected by the personal representative. Upon further investigation, Rabbe Farms has determined that because the assets of the estate are minimal, it will not pursue litigation against the estate. Rabbe Farms also made a demand on the accounting firm. The accounting firm has represented that it has no assets of any value and no malpractice insurance. Rabbe Farms has determined that there is no likelihood of collection from the accounting firm and will make no further collection efforts.

Rabbe Ag

Rabbe Ag owned on the Petition Date real property including: (i) a house and approximately five acres called the **“Olson Building Site”** and (ii) a railroad strip. The aggregate assessed value of these properties (2015) is \$107,008.00. During the pendency of the Chapter 11 as part of an agreement for adequate protection for use of cash collateral, Rabbe Ag conveyed the Olson Building Site to FSB. Rabbe Ag also owned personal property including equipment and accounts receivable with an estimated aggregate value as of the Petition Date of \$3,047,228.37. Included in this personal property is an account receivable owed by Rabbe Farms in the amount of \$114,500.

As of August 31, 2016, Rabbe Ag reported holding cash of \$1,173, 230.32.

North Country Seed

North Country Seed owned on the Petition Date real property including a grain elevator, storage and office facilities in Martin County (**“Ormsby Property”**) with an assessed value (2016) of \$185,500. NCS also owned personal property including equipment and accounts receivable with an estimated aggregate value as of the Petition Date of \$2,146,952.64. NCS also owns all of the member units of Galena Genetics, LLC, a non-debtor, with an unknown value.

During the pendency of the Case, NCS obtained an appraisal of its equipment as of October 14, 2015 from Gehling Auction Co. for \$313,586.68.

As of August 31, 2016, North Country Seed reported holding cash of \$396,430.45.

III. EVENTS DURING CHAPTER 11 CASES.

A. Joint Administration

Rabbe Farms, Rabbe Ag and NCS each filed a voluntary petition under Chapter 11 on September 29, 2015. On October 2, 2015, the three Debtors filed a joint motion for an order for joint administration. The motion came on for hearing on October 6, 2015 and an order granting joint administration was entered on October 8, 2015. The order provided notice, among other things, that all future filings in any of the three cases would be filed in the Rabbe Farms case, Bky. No. 15-33479.

B. Retention of Professionals

On October 1, 2015, Rabbe Farms, Rabbe Ag and NCS filed a joint application to retain Lapp, Libra, Thomson, Stoebner & Pusch Chartered as counsel for the three Debtors. An order approving the application was entered on October 21, 2015. On October 23, 2015, Rabbe Farms, Rabbe Ag and NCS filed a joint application to retain Abdo Eick & Meyers, LLP as accountants for the three Debtor. An order approving the application was entered on November 10, 2015.

On March 31, 2016, Joel Rabbe, Kirsten Rabbe, Jon Rabbe and Debra Rabbe executed personal guarantees of the fees and expenses of Lapp Libra owed by the three debtors. Joel and Kirsten Rabbe also provided Lapp Libra with a mortgage on a lake cabin in Iowa.

On April 6, 2016, Joel and Kirsten Rabbe conveyed the Colorado farmland to NCS subject to all prior encumbrances to establish the feasibility of the NCS plan, specifically the availability of the consideration to be given in exchange for the new equity interests. The deed contained an automatic reversion provision whereby the title to the Colorado farmland would revert to Joel and Kirsten Rabbe should the NCS plan not be confirmed by December 31, 2016. The NCS plan was not confirmed by December 31, 2016 and the title to the Colorado farmland reverted to Joel and Kirsten Rabbe.

On April 28, 2016, Lapp Libra executed a release of its deed of trust on the Colorado farmland.

C. Cash Collateral.

On October 2, 2015, NCS filed a motion for use of cash collateral. An order approving the use of cash collateral was entered on October 21, 2015. On October 19, 2015, Rabbe Farms and Rabbe Ag each filed a motion for use of cash collateral. On November 5, 2015, an order approving the use of cash collateral by Rabbe Farms was entered. On December 16, 2015, an order approving the use of cash collateral for Rabbe Ag was entered.

As adequate protection for Rabbe Ag's use of cash collateral during the case, Rabbe Ag obtained court permission to convey real property described on its schedules as the Olson Building Site to FSB for in exchange for debt reduction of \$102,800.00. Rabbe Ag had been trying to sell the Olson Building Site prior to the Petition Date.

FSB incorrectly claimed that it is entitled to retain the Olson Building Site without crediting the agreed value of \$102,800 against the Rabbe Ag Debt. Rabbe Ag did not grant a mortgage to FSB in the Olson Building Site to FSB as additional adequate protection. Rabbe Ag sold the property and paid the proceeds to FSB. FSB is obligated to apply the payment to the debt.

D. Pre-Petition Payroll

On October 2, 2015, NCS filed a motion seeking authority to pay certain pre-petition wages and withholding obligations of NCS. The motion was granted by order entered on October 6, 2015.

E. First Meeting of Creditors

The first meeting of creditors for the three Debtors was held on November 3, 2015.

F. Creditors' Committee

On November 4, 2015, the U.S. Trustee filed a report of inability to appoint a creditor's committee in any of the three cases.

G. Assumption/Rejection of Unexpired Leases and Executory Contracts

On November 6, 2015, Rabbe Farms and North Country Seed filed a joint motion seeking approval of their rejection of a Grain Purchase Agreement with FCA Co-op. On November 25, 2015, the court approved the rejection. On January 9, 2016, Rabbe Ag filed a motion seeking approval of the assumption of six unexpired leases of farmland rented by Rabbe Ag from third parties to grow crops. An order approving the assumption was entered on January 28, 2016.

H. Rule 2004 Examinations - Farmers State Bank of Trimont

On November 4, 2015, Farmers State Bank of Trimont ("FSB") filed motions for authority to conduct Rule 2004 examinations of the three Debtors. A Rule 2004 examination is a procedure authorized under Rule 2004 of the Federal Rules of Bankruptcy Procedure whereby an examination may be conducted of a debtor relating only to the acts, conduct, or property, or to the liabilities and financial condition of the debtor or any matter which may affect the administration of the estate. The Debtors did not oppose the motions and orders authoring the examinations were entered on November 18, 2015. As of the date of this Disclosure Statement, no examinations have yet been conducted.

I. Motion for Relief from Stay – FCA Co-Op

FCA Co-Op is a tenant of Rabbe Farms under a lease for grain elevators owned by Rabbe Farms. The lease provides for automatic renewal at the end of each term unless either party gives notice of non-renewal within the notice period provided in the lease. On January 19, 2016, FCA Co-Op filed a motion for relief from stay for the sole purpose of providing the notice of non-renewal under the lease. Rabbe Farms did not oppose that limited relief, but on February 3, 2016, FCA Co-Op amended its motion to seek additional relief based on FCA Co-Op's mistaken understanding that Rabbe Farms had failed to renew the insurance required under the lease. Rabbe Farms opposed the additional relief and FCA Co-Op withdrew the request for the additional relief.

J. Rule 2004 Examinations – FCA Co-Op

FCA Co-Op has filed an unsecured proof of claim in the NCS case in the amount of \$3,002,575.73. On January 19, 2016, FCA Co-Op filed a motion for authority to conduct Rule 2004 examinations of the three Debtors. Also on January 19, 2016, FCA Co-Op filed a separate motion seeking authority to take the Rule 2004 examination of FSB. The Debtor opposed the motions and following a hearing, the Court denied the motions.

K. Motion to Dismiss – FCA Co-Op

On January 26, 2016, FCA Co-Op filed a motion seeking to dismiss all three of the Debtor's Chapter 11 cases. The Debtors opposed the motion. After a hearing on the motion, the court denied the motion as to Rabbe Farms and Rabbe Ag finding that FCA Co-Op lacked standing in those cases. The court continued the hearing on that part of the motion seeking to dismiss the NCS case until confirmation of the plan of reorganization.

L. Proofs of Claims

The deadline for timely filing proofs of claims in all three cases was February 1, 2016. Separate claims registers are maintained by the clerk of court in each case. As of October 26, 2016, the following aggregate claims had been filed:

Debtor	Number of Claims	Aggregate \$\$\$
Rabbe Farms	11	\$18,005,866.93
Rabbe Ag	4	\$ 3,047,228.37
North Country Seed	14	\$ 4,780,493.15

The Debtor may object to any scheduled or filed claims that are incorrect. The deadline for objections to claims will be set by an order issued at the time of confirmation of the Plan.

M. Plans and Disclosure Statements.

On January 27, 2016, the three Debtors filed their plans and disclosure statements. On January 29, 2016, Rabbe Farms filed an amended plan and disclosure statement. The Debtor received objections to the disclosure statements from the U.S. Trustee, FSB and FCA Co-Op. The hearing on approval of the disclosure statement was continued until April 1, 2016. The Debtors agreed to revise their disclosure statements to respond to the objections and on March 30, 2016 revised documents were filed. At the hearing to approve the revised disclosure statements held on April 1, 2016, these objecting parties indicated that while the revisions had satisfied many of the objections, some objections remaining unsatisfied in their view. The Debtors again agreed to make additional revisions and the court established a date of April 15, 2016 to file the revised documents. The Debtors disclosure statements were approved on May 12, 2016. A hearing to confirm the plans was scheduled for July 29, 2016.

N. State Court Litigation.

FSB had commenced an action in Martin County, Minnesota (the “**Martin County Litigation**”) against The Rabbe Individuals. FSB alleged that the Rabbe Individuals breached certain personal guarantees given for debt of Rabbe Farms and sought a money judgment and foreclosure of real estate mortgages claimed in real property of the Rabbe Individuals. The Rabbe Individuals are represented in the Martin County Litigation by attorney John Mack of Mack & Daby, New London, Minnesota.

On March 31, 2016, the court in the Martin County Litigation entered an order awarding summary judgment in favor of FSB. A money judgment against the Rabbe Individuals was entered in the amount of \$17,350,113.61 and an order for foreclosure was entered. The court also appointed a limited receiver to collect rents owed to the Rabbe Individuals from Rabbe Ag for farmland rented to Rabbe Ag by the Rabbe Individuals. On April 15, 2016, the Rabbe Individuals filed an appeal of these two orders but no stay pending appeal was obtained and accordingly a sheriff’s sale of the Rabbe Individuals’ Land in Martin County was held on June 21, 2016 and in Watonwan County on June 30, 2016. FSB was the successful bidder at the sales. Thereafter, FSB filed a motion to approve the sales and a hearing was scheduled for July 29, 2016. The Rabbe Individuals intended to oppose the motion to approve the sales but declined to do so in reliance on the terms of a settlement with FSB reached at mediation on July 8, 2016. The sales were thereafter approved by order entered on July 29, 2016.

O. Avoidance Actions and other Litigation.

Under section 547 of the Bankruptcy Code, certain transfers made by the Debtor to creditors within 90 days (or, in some cases, one year) of the Filing Date may be recovered as preferential payments. The Debtor was required to disclose on its statement of financial affairs filed with the Bankruptcy Court on October 20, 2015, a list of creditors who received payments in the 90 days prior to the Filing Date and the aggregate amount of such payments. The Debtor listed payments to 2 creditors in the 90 days prior to the Filing Date aggregating \$9,513.84. The Debtor has also listed payments to 5 insider creditors aggregating \$586,738.72. The Debtor is in the process of evaluating these payments for possible avoidance as preferences and commencement of Avoidance Actions.

Section 548 of the Bankruptcy Code gives the Debtor power to avoid fraudulent transfers. Such claims, and all Avoidance Claims, are preserved by the Debtor under the Plan. No person may rely on the absence of a specific reference in the Plan or the Disclosure Statement, as any indication that the Debtor will not pursue any and all available Causes of Action. The Debtor expressly reserves all Causes of Action for later adjudication and, therefore, no preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of the Confirmation Order. All recoveries on any Causes of Action, including Avoidance Claims, shall be retained by Debtor for use in making payments under this Plan or for general working capital purposes, at Debtor’s option.

On February 25, 2016, Rabbe Farms, Rabbe Ag and NCS each commenced a separate adversary proceeding (collectively the “Adversary Proceeding”).

1. The Rabbe Farms Adversary Proceeding

On January 27, 2016, Rabbe Farms provided FSB with a written certificate establishing a breach of the DIL Agreement and made written demand or turnover of the deeds delivered to FSB under the DIL Agreement. FSB has refused to turn over the deeds. Accordingly, on February 25, 2016, Rabbe Farms commenced an adversary proceeding to compel turnover of these deeds or alternatively to determine that the deeds are in fact and law equitable mortgages which must be foreclosed by action by FSB (the **“Rabbe Farms Adversary”**). To protect Rabbe Farms’ interest in its real property, Rabbe Farms has recorded a notice of pendency in the real estate records to give notice that the deeds are disputed. By order entered on April 16, 2016, trial was set for August 16, 2016.

2. The Rabbe Ag Adversary Proceeding

On February 25, 2016, Rabbe Ag commenced an adversary proceeding against FSB to determine what, if any, obligations of Rabbe Ag were secured by cross-collateralization provisions in FSB’s loan documents and if they are so secured to avoid such cross-collateralization provisions as fraudulent transfers (the **“Rabbe Ag Adversary”**). By order entered April 14, 2016, trial was set for August 16, 2016.

3. The NCS Adversary Proceeding

On February 25, 2016, NCS commenced an adversary proceeding against FCA Co-Op to recover preferential payments made by NCS to FCA Co-Op aggregating \$1,389,144.40 and to deny FCA Co-Op a claim until these amounts are repaid (the **“NCS Adversary”**). By order entered April 14, 2014, trial was set for August 23, 2016.

P. Mediation Rabbe Farms, Rabbe Ag and the Rabbe Individuals.

Anticipating objections to confirmation would be filed by FSB, on June 1, 2016, Debtors’ counsel wrote to the Court requesting mediation of plan treatment issues and issues relating to the Rabbe Individuals in the Martin County Litigation. On June 3, 2016, the Court issued an order for mediation before the Honorable William J. Fisher, United States Bankruptcy Judge. On June 15, 2016, Judge Fisher issued an order directing Rabbe Farms LLP, Rabbe Ag Enterprises and North Country Seed LLC or a duly authorized representative and Ralph Mitchell their attorney; a representative from FSB and its attorney Michael Dove; Joel Rabbe, individually and in his capacity as power of attorney for Joyce Rabbe, and Kirsten Rabbe, Jon and Debra Rabbe, Joyce Rabbe, personally and in her capacity as Trustee for the John Rabbe Trust and their attorney, John Mack on Friday, July 8, 2016. Joyce Rabbe was subsequently excused. All others appeared as ordered and after 13 hours of mediation, a global settlement was reached as to plan treatment and resolution of the Debtors’ obligations to FSB as well as the obligations of the Rabbe Individuals under their guarantees (the **“July 8 Settlement”**). Judge Fisher indicated that he would reconvene on Monday, July 11, 2016 to place the terms of the July 8 Settlement on the Court’s record. Due to a scheduling issue, the July 8 Settlement was not placed on the record until July 12, 2016. A transcript of the proceedings was prepared and a copy is attached hereto as Exhibit D.

In reliance on the terms of the July 8 Settlement, the Debtors immediately struck the confirmation dates in all three cases and the trial dates in all three adversary proceedings. Rabbe Ag struck the hearing date on its claim objection. In the state court proceedings, the Rabbe Individuals put all proceedings on hold, including the two cases at the Minnesota Court of Appeals.

Unbeknownst to the Debtors or the Rabbe Individuals at the time, on July 13, 2016, FSB wrote to its loan participants describing the terms of the July 8 Settlement. Also unbeknownst to the time, counsel for First Farmers & Merchants Bank (“FFM”), the largest loan participant, wrote to FSB on July 19, 2016 alleging that FFM did not agree with the terms of the July 8 Settlement and asserted that FSB lacked authority to enter into the agreement. The Debtors and the Rabbe Individuals first learned of these developments on October 14, 2016.

Thereafter, the Debtors, the Rabbe Individuals and FSB attempted to reduce the terms of the July 8 Settlement into a written settlement agreement but agreement on the terms could not be reached. On August 24, 2016, Rabbe Farms and Rabbe Ag moved the Court for approval of the form of settlement agreement that these Debtors believed contained the terms of the July 8 Settlement and nothing more or less. A hearing was scheduled for September 14, 2016. In response, FSB filed a motion for relief from stay seeking the Court’s permission to take possession of the Elevators in order to lease or sell them. A hearing on that motion was also scheduled for September 14, 2016. On September 9, 2016, FSB filed an expedited motion seeking to file an objection to the motion to approve the form of settlement agreement under seal out of concern that the materials filed might violate the confidentiality provisions of Judge Fisher’s order. FSB also filed an objection under seal. The motion to approve the filing under seal came on for hearing on September 13, 2016. At that hearing the Court indicated that it could not consider portions of FSB’s objection filed under seal as they appeared to be disclosing material covered by the confidentiality provisions of Judge Fisher’s order. The Court also indicated that at the hearing that it intended to deny the relief from stay motion as premature and intended to resolve the motion to approve by referring the parties back to Judge Fisher for further mediation but the Court also indicated that the parties could withdraw their pending motions without prejudice and accordingly the parties withdrew their motions on September 13, 2016.

All of the parties who had participated in the mediation on July 8, 2016 returned to Judge Fisher for another mediation session on September 28, 2016. The session lasted more than five hours but no further agreements could be reached.

On October 7, 2016, Rabbe Farms, Rabbe Ag and the Rabbe Individuals filed a motion seeking Court approval of the settlement as evidenced in the transcript of the agreement as placed on the record in Court before Judge Fisher on July 12, 2016. A hearing was scheduled for October 20, 2016. FSB filed an objection claiming that despite twice affirming the agreement on the record, no meeting of the minds had occurred. FFM and United Prairie Bank (“UPB”), another loan participant, also objected claiming that FSB lacked authority to enter in to the July 8 Settlement. The Court found that FFM and UPB lacked standing. The Court also overruled the objections of FSB and approved the settlement. An order containing the terms of the settlement was entered on October 31, 2016. A copy of the order containing the terms of the July 8 Settlement is attached hereto as Exhibit E.

On November 10, 2016, FSB filed an appeal of the October 31, 2016 Order. On November 11, 2016, FFM filed an appeal and on November 14, 2016, UPB filed an appeal. All three appellants elected the District Court as the venue for their appeals. Briefing and oral argument will be completed by March 22, 2016. No stays pending appeal have been sought or granted.

The terms of the July 8 Settlement were to be implemented through revised plans and disclosure statements and accordingly the terms of the July 8 Settlement are incorporated into this disclosure statement. The July 8 Settlement did not include terms for North Country Seed which was to be resolved through separate mediation.

Q. Mediation North Country Seed

On August 17, 2016, Judge Fisher convened a mediation with FSB and NCS to resolve plan treatment issues for NCS. The mediation was continued until August 31, 2016 to allow for additional due diligence by FSB. On August 31, 2016, a settlement was reached and placed on the record (the “**NCS Settlement**”). A copy of the transcript containing the terms of the NCS Settlement is attached hereto as Exhibit F. The NCS Settlement was to be implemented through a motion to sell assets to FSB and a corresponding relief from stay motion. Closing was to occur on November 1, 2016. NCS however was permitted under the NCS Settlement to continue to use all of FSB’s collateral through completion of the fall harvest.

Consistent with the NCS Settlement, on October 11, 2016, NCS filed a motion to approve the sale of property to FSB contemplated by the NCS Settlement. A hearing was scheduled for November 2, 2016. On October 19, 2016, FSB filed the corresponding motion for relief from stay and a hearing was scheduled for November 3, 2016. On October 28, 2016, FCA Co-op, an unsecured creditor of NCS, filed objections to both motions.

On November 2, 2016, the Court overruled the objection of FCA Co-op and approved the motion for sale. FCS Co-op subsequently withdrew its objection to FSB’s relief from stay motion and the motion was granted on November 3, 2016.

R. Claim Objection FCA Co-op

FCA Co-op is an unsecured creditor of NCS. On January 25, 2016, FCA filed a proof of claim asserting an unsecured claim of \$3,002,575.73. On August 19, 2016, FCA amended its proof of claim asserting that it was entitled to priority status, ahead of other unsecured claims. On October 17, 2016, NCS filed a motion objecting to the amended claim. A hearing is set for November 16, 2016.

IV. SUMMARY OF THE PLAN.

The below summary is provided for the convenience of holders of Claims and Interests. If any inconsistency exists between the Plan and this Disclosure Statement, the terms of the Plan are controlling. The summary of the Plan in this Disclosure Statement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the full text of

the Plan, including the definitions of terms contained in the Plan. All holders of Claims and Interests are encouraged to review the full text of the Plan, and to read carefully this entire Disclosure Statement, including all exhibits hereto.

A. Overview

One of the purposes of the Plan is to allow Rabbe Farms to implement the July 8 Settlement which provides, among other things, for the conveyance on the Effective Date of the Farmland, the Elevators and the cash in the DIP Account to FSB. Under the July 8 Settlement, FSB will lease the Farmland and the Rabbe Individuals' Land to Rabbe Ag or its designee for three years on the terms more fully set forth in the plan or reorganization for Rabbe Ag. Under the July 8 Settlement, Rabbe Ag will sell certain equipment and will split the proceeds and the cash of Rabbe Ag with FSB on the terms set forth in the Rabbe Ag plan. Upon completion of all of the transactions under the July 8 Settlement, the Rabbe Individuals will be released from further liability to FSB under their personal guarantees. Under the July 8 Settlement, Rabbe Farms will retain the following property with estimated values as set forth in the bankruptcy schedules as follows:

1.	Bin Site	\$ 16,300.00
2.	Account receivable North Country Seed (book value) (likely uncollectible)	\$3,338,852.00
3.	Office furniture, electronics, supplies	\$ 7,500.00
4.	Case payloader	\$ 60,000.00
5.	4430 John Deere Tractor	\$ 15,000.00
6.	Bobcat skidloader	\$ 15,000.00
7.	Misc. Tolls and equipment	\$ 5,000.00

Rabbe Farms will liquidate these items and use the proceeds to pay administrative expenses of the Chapter 11 case and the remainder, if any, will be distributed in accordance with the priorities set forth in 11 U.S.C. § 726.

B. Overview of Classification and Treatment of Claims and Interests

Following the requirements of the Bankruptcy Code, all Claims and Interests are placed in categories. Most are placed into separate classes, others are unclassified. These categories are described in detail in the Plan and later in this paragraph.

The Plan proposes certain different "treatment" for all the claims or interests in the unclassified categories and the classes. Following is a chart of the estimated amounts in each unclassified category and class along with the proposed treatment for each. Note that estimated taxes include October 2015 payable and all payable in 2016 and may not include payments made during the case.

Class No.	Description of the Class	Estimated Amount	Proposed Treatment
N/A	Administrative Expenses (estimated)	\$ 200,000	Payment in full on the Effective Date, as due, or as otherwise agreed.
N/A	Statutory Fees and Court Costs	N/A	Payment in full on the Effective Date or as due.
1A	Secured Claim – Martin County Real Estate Taxes – Sherburn Elevator	\$ 15,341.00	No payments, leave unaltered holder's rights under state law
1B	Secured Claim – Martin County Real Estate Taxes – Trimont Elevator	\$10,883.00	No payments, leave unaltered holder's rights under state law
1C	Secured Claim – Martin County Real Estate Taxes – Bin Site	\$ 170.00	Payment over five years per 11 U.S.C. § 1129(a)(9)(D)
1D	Secured Claim – Martin County Real Estate Taxes – Farmland 150.56 Acres	\$11,245.00	No payments, leave unaltered holder's rights under state law
1E	Secured Claim – Martin County Real Estate Taxes – Farmland 76 Acres	\$ 5,125.00	No payments, leave unaltered holder's rights under state law
1F	Secured Claim – Martin County Real Estate Taxes – Farmland 116.32 Acres	\$ 8,345.00	No payments, leave unaltered holder's rights under state law

Class No.	Description of the Class	Estimated Amount	Proposed Treatment
2A	Secured Claim – Watonwan County Real Estate Taxes – Odin Elevator	\$ 3,176.00	No payments, leave unaltered holder's rights under state law
2B	Secured Claim – Watonwan County Real Estate Taxes – Ormsby Elevator	\$ 2,249.00	No payments, leave unaltered holder's rights under state law
2C	Secured Claim – Watonwan County Real Estate Taxes – Farmland 80 Acres Section 28	\$ 7,802.00	No payments, leave unaltered holder's rights under state law
2D	Secured Claim – Watonwan County Real Estate Taxes – Farmland 80 Acres Section	\$ 7,716.00	No payments, leave unaltered holder's rights under state law
3	Secured Claim – Welcome State Bank Mortgage	\$ 175,100.00	No payments, leave unaltered holder's rights under state law
4	Secured Claim – FSB – Mortgages and Security Interests	\$6,541,255.31 ²	Satisfied by conveyances of property
5	Secured Claim – Agstar Financial	\$225,071.32	Satisfied by conveyances of property

² Amount of FSB secured claim is determined by the sum of the FSB appraised values less \$175,100.00, the amount of Welcome State Bank's filed proof of claim plus Debtor's cash of \$136,080.31.

Class No.	Description of the Class	Estimated Amount	Proposed Treatment
6	Unsecured claims	\$146,400.82	Payments from proceeds of liquidation of remaining property as provided in 11 U.S.C. § 726.
7	FSB Unsecured Claim	\$3,000,000.00	Payment only from recovery of lawsuit against Steven Pierce or his firm.
8	Contribution and indemnification claims of Rabbe Individuals	\$6,000,000+	No distributions
9	Equity Interests	N/A	Retained

The holders of Claims or Interests that are classified and are “impaired” or potentially impaired depending on alternative treatment choice are entitled to vote on the Plan:

Class 1C, 4, 5, 6, 7 and 8.

C. Detailed Description of Classes and Treatment

Following is a description of the claims, classes and the treatment. This section is taken from the Plan. In case of inconsistency, the Plan controls. This section may have some additional information about the classes.

1. Allowed Administrative Expense Claims

Claims specified in Code § 507(a)(2), except as otherwise provided in this Article, including fees of professionals, will be paid in full in cash on the Effective Date, or later as approved by the Court, or as agreed among the parties.

Debtor estimates that allowed administrative expense claims will not exceed \$200,000.

2. Statutory Fees and Court Costs

Court costs and fees payable by Debtor under 28 U.S.C. § 1930 will be paid in full in cash on the Effective Date. After confirmation, the Debtor will continue to pay quarterly fees to the Office of the United States Trustee and to file quarterly reports with the Office of the United States Trustee until this case is closed by the Court, dismissed or converted. This

requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 cases.

3. Class 1A – Secured Claim of Martin County for Real Estate Taxes - Sherburn Elevator, [Tax Parcel Nos. 38.400.0010, 38.400.0025, 38.100.1090, 38.100.0050, 38.650.0940 and 38.100.0120]

This class consists of the allowed secured claim of Martin County for real estate taxes on the Sherburn Elevator which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the aggregate approximate amount of \$15,341.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Sherburn Elevator to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Martin County on account of the pre-petition real estate taxes due on the Sherburn Elevator. Martin County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Martin County will be free to exercise its rights under state law as to the Sherburn Elevator.

Class 1A is unimpaired and presumed to accept.

4. Class 1B – Secured Claim of Martin County for Real Estate Taxes – Trimont Elevator, [Tax Parcel Nos. 39.810.0160, 39.810.0230, 39.810.0025, 08.032.1000, and 08.032.0825].

This class consists of the allowed secured claim of Martin County for real estate taxes on the Trimont Elevator which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the aggregate approximate amount of \$10,883.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Trimont Elevator to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Martin County on account of the pre-petition real estate taxes due on the Trimont Elevator. Martin County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Martin County will be free to exercise its rights under state law as to the Trimont Elevator.

Class 1B is unimpaired and presumed to accept.

5. Class 1C -- Secured Claim of Martin County for Real Estate Taxes – Bin Site, [Tax Parcel No. 08.018.0800].

This class consists of the allowed secured claim of Martin County for real estate taxes on the Bin Site which includes taxes payable in 2015 and taxes payable in 2016 which

became a lien on January 2, 2015, prior to the Petition Date in the aggregate approximate amount of \$170.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

The Debtor is proposing to sell the Bin Site under the Plan. In full satisfaction of Martin County's allowed secured claim for real estate taxes on the Bin Site, the Debtor will pay from the proceeds of the sale of the Bin Site, such real estate taxes due and owing as of the date of the sale, prorated to the date of the sale between the Debtor and the buyer. Martin County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Martin County will be free to exercise its rights under state law as to the Bin Site.

Class 1C is impaired.

6. Class 1D -- Secured Claim of Martin County for Real Estate Taxes – Farmland 150.56 Acres, [Tax Parcel No. 08.015.0100].

This class consists of the allowed secured claim of Martin County for real estate taxes on the Farmland 150.56 Acres which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the aggregate approximate amount of \$11,245.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Farmland 150.56 Acres to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Martin County on account of the pre-petition real estate taxes due on the Farmland 150.56 Acres. Martin County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Martin County will be free to exercise its rights under state law as to the Bin Site.

Class 1D is unimpaired and presumed to accept.

7. Class 1E -- Secured Claim of Martin County for Real Estate Taxes – Farmland 76 Acres, [Tax Parcel No. 08.016.0150]

This class consists of the allowed secured claim of Martin County for real estate taxes on the Farmland 76 Acres which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the aggregate approximate amount of \$5,125.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Farmland 76 Acres to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Martin County on account of the pre-petition real estate taxes due on the Farmland 76 Acres. Martin County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Martin County will be free to exercise its rights under state law as to the Farmland 76 Acres.

Class 1E is unimpaired and presumed to accept.

8. Class 1F -- Secured Claim of Martin County for Real Estate Taxes – Farmland 116.32 Acres, [Tax Parcel No. 08.022.0700].

This class consists of the allowed secured claim of Martin County for real estate taxes on the Farmland 116.32 Acres which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the aggregate approximate amount of \$8,345.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Farmland 116.32 Acres to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Martin County on account of the pre-petition real estate taxes due on the Farmland 116.32 Acres. Martin County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Martin County will be free to exercise its rights under state law as to the Farmland 116.32 Acres.

Class 1F is unimpaired and presumed to accept.

9. Class 2A -- Secured Claim of Watonwan County for Real Estate Taxes – Odin Elevator, [Tax Parcel No. 18.025.2300].

This class consists of the allowed secured claim of Watonwan County for real estate taxes on the Odin Elevator which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the approximate amount of \$3,176.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Odin Elevator to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Watonwan County on account of the pre-petition real estate taxes due on the Odin Elevator. Watonwan County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Watonwan County will be free to exercise its rights under state law as to the Odin Elevator.

Class 2A is unimpaired and presumed to accept.

10. Class 2B -- Secured Claim of Watonwan County for Real Estate Taxes – Ormsby Elevator, [Tax Parcel No. 19.033.0600].

This class consists of the allowed secured claim of Watonwan County for real estate taxes on the Ormsby Elevator which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the approximate amount of \$2,249.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Ormsby Elevator to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Watonwan County on account of the pre-petition real estate taxes due on the Ormsby Elevator. Watonwan County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Watonwan County will be free to exercise its rights under state law as to the Ormsby Elevator.

Class 2B is unimpaired and presumed to accept.

11. Class 2C -- Secured Claim of Watonwan County for Real Estate Taxes – Farmland 80 Acres Section 28, [Tax Parcel No. 05.028.0700].

This class consists of the allowed secured claim of Watonwan County for real estate taxes on the Farmland 80 Acres Section 28 which includes taxes payable in 2015 and taxes payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the approximate amount of \$7,802.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Farmland 80 Acres Section 28 to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Watonwan County on account of the pre-petition real estate taxes due on the Farmland 80 Acres Section 28. Watonwan County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Watonwan County will be free to exercise its rights under state law as to the Farmland 80 Acres Section 28.

Class 2C is unimpaired and presumed to accept.

12. Class 2D -- Secured Claim of Watonwan County for Real Estate Taxes – Farmland 80 Acres Section 33, [Tax Parcel No. 05.033.0200].

This class consists of the allowed secured claim of Watonwan County for real estate taxes on the Farmland 80 Acres Section 33 which includes taxes payable in 2015 and taxes

payable in 2016 which became a lien on January 2, 2015, prior to the Petition Date in the approximate amount of \$7,716.00. The Bankruptcy Code definition of a pre-petition claim includes a claim against property of the debtor under Bankruptcy Code § 102(2). Taxes payable in 2016 therefore are pre-petition claims even though payment was not yet due on the Petition Date because they were secured by liens against the Debtor's property arising on January 2, 2015.

Because the Debtor is proposing to convey the Farmland 80 Acres Section 33 to FSB under the Plan, subject to the unpaid real estate taxes, the Debtor will make no payments to Watonwan County on account of the pre-petition real estate taxes due on the Farmland 80 Acres Section 33. Watonwan County will retain its tax lien and its legal, equitable and contractual rights will be unimpaired under the Plan. Watonwan County will be free to exercise its rights under state law as to the Farmland 80 Acres Section 33.

Class 2D is unimpaired and presumed to accept.

13. Class 3 – Secured Claim – Welcome State Bank

This class consists of the allowed secured claim of Welcome State Bank in the approximate amount of \$175,100 consisting of a first mortgage in the Farmland 150.56 Acres.

Because the Debtor is proposing to convey the Farmland 150.56 Acres to FSB under the Plan subject to the first mortgage of Welcome State Bank, the Debtor will make no payments to Welcome State Bank on account of the Welcome State Bank Debt. Welcome State Bank will retain its liens and its legal, equitable, and contractual rights will be unimpaired under the Plan.

FSB will acquire the first mortgage lien position of Welcome State Bank.

Minnesota law grants the Debtor rights of first refusal for leasing and sales of farmland following foreclosure under Minn. Stat. § 500.245. Such rights however have been held not to constitute property of the bankruptcy estate and therefore are not administered under the Plan. *See, In re Solberg*, 125 B.R. 1010 (Bankr. D. Minn. 1991).

Class 3 is unimpaired and presumed to accept.

14. Class 4 – Secured Claim – FSB Mortgages and Security Interests

This class consists of the allowed secured claim of FSB in the approximate amount of \$6,541,255.31 which is the aggregate appraised value of the assets of Rabbe Farms consisting of junior and senior mortgages in the Debtor's real estate and security interests in the Debtor's personal property.

In full satisfaction of FSB's allowed secured claim, Rabbe Farms will, on the Effective Date: (i) execute and deliver to FSB a quit claim deed to the Farmland 503 Acres; (ii) execute and deliver to FSB a quit claim deed to the Elevators; and (ii) turn over the cash balance of \$292,322.65 as of August 31, 2016 in the DIP Account to FSB.

FSB will also enter into a lease for the Farmland 503 Acres with Rabbe Ag or its designee for the time periods and on the terms specified in the plan of reorganization for Rabbe Ag.

Minnesota law grants the Debtor rights of first refusal for leasing and sales of farmland following foreclosure under Minn. Stat. § 500.245. Such rights however have been held not to constitute property of the bankruptcy estate and therefore are not administered under the Plan. *See, In re Solberg*, 125 B.R. 1010 (Bankr. D. Minn. 1991).

Class 4 is impaired but FSB has agreed to accept this treatment under the July 8 Settlement.

15. Class 5 – Secured Claim – Agstar Financial Services

This class consists of the allowed secured claim of AgStar Financial Services consisting of a security interest in certain fixtures/equipment owned by the Debtor, including two Deluxe grain dryers, lagging overhead and drag line, and two portable bins located at the Trimont, Minnesota elevator. AgStar holds a claim in the approximate amount of \$225,071.32 which is secured by a perfected security interest in such equipment. The holder of the Class 5 claim will receive no payments from the estate but the Debtor has agreed to permit AgStar to accept its collateral in full satisfaction of the claim pursuant to Minn. Stat. § 336.9-620. The above treatment will be in full satisfaction of AgStar Financial Services' allowed secured claim. AgStar Financial Services has not asserted any unsecured claim.

Class 5 is impaired.

16. Class 6 – Unsecured claims

This class consists of the general unsecured claims in the approximate amount of \$592,969.91. Because Rabbe Farms is liquidating and the proceeds of the liquidation will not be sufficient to make any distribution to Class 6, there will be no distributions to Class 6.

Class 6 is impaired and because it is receiving no distributions, deemed to reject the Plan.

17. Class 7 – FSB Unsecured Claim

This class consists of the allowed unsecured claim of FSB in the amount of \$3,000,000. Pursuant to the July 8 Settlement, FSB's rights to distribution in this Class 7 are limited to the proceeds, if any, of a lawsuit against the Debtor's former accountant, now deceased, Steven E. Pierce. The July 8 Settlement does not require Rabbe Farms to pursue any such lawsuit and Rabbe Farms has determined that due to the absence of insurance coverage and the unlikelihood of collection even if successful, no lawsuit will be brought. Because Rabbe Farms is liquidating, there will be no distributions to Class 7.

Although Class 7 is impaired and receiving no distributions, because FSB agreed to such treatment in the July 8 Settlement, FSB is expected to vote to accept.

18. Class 8 – Contribution and Indemnification Claims

The Rabbe Individuals have been required to pay debts of the Debtor under their guarantees through the foreclosure of the Rabbe Individuals' Land. They are therefore entitled to a claim for contribution and indemnification by the Debtor. The Debtor estimates that these claims exceed \$6,000,000. Class 8 will receive no distributions under the Plan.

Class 8 is impaired and because it is receiving no distributions, deemed to reject the Plan.

19. Class 9 -- Equity interests

Existing equity interests shall be retained.

D. Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases between the Debtor and others will be rejected on the Effective Date.

E. Claims Belonging to the Estate

On the Effective Date, Debtor shall be vested with, shall retain and may, at its option, contest any claim or interest belonging to the estate, including all Causes of Action, to the extent not expressly released under this Plan or by any Final Order of the Bankruptcy Court. No person may rely on the absence of a specific reference in the Plan, the Disclosure Statement as any indication that the Debtor will not pursue any and all available Causes of Action. The Debtor expressly reserve all Causes of Action for later adjudication and, therefore, no preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of the Confirmation Order. All recoveries on any Causes of Action, including Avoidance Claims, shall be retained by Debtor for use in making payments under this Plan or for general working capital purposes, at Debtor' option.

F. Distributions and Claims Administration

(i) Method and Timeliness of Distributions. Cash distributions under this Plan will be made by check and mailed to the holder of the claim at the address listed on its proof of claim as of the date the order confirming the Plan is entered by the Court. This date is the "Record Date." Payment under the Plan will be mailed to the address of the holder of the claim as of the Record Date. If the holder of the claim after the Record Date wishes to have future distributions sent to a different address, it must notify the Debtor in writing of a different address. If no proof of claim has been filed by a particular creditor by the date of the hearing on confirmation, distribution, if any, will be mailed to the address listed on the Schedules as of the Record Date. Holders of claims may contact Debtor with changes of address or questions at:

Rabbe Farms LLP
P.O. Box B
Trimont, MN 56176

(ii) Claim Objections and Administration.

Unless a claim is specifically allowed under the Plan, or has been otherwise allowed by the Court, the Debtor reserves the right to make any objections to claims and motions or requests for the payment of claims of any kind. Unless extended by the Bankruptcy Court, any objections to claims other than administrative expense claims will be filed within sixty (60) days after the Effective Date. A claim to which an objection has been made is a "Contested Claim."

No payments or distributions will be made with respect to a Contested Claim until all objections to the Contested Claim have been settled or withdrawn or determined by the Court. The Debtor may request estimation or limitation of any Contested Claim to the extent authorized by the Bankruptcy Code, and the estimate may become the allowed amount of the claim or the maximum limit on the claim.

If a Debtor has a claim, including an Avoidance Claim, or right to setoff against the holder of a claim against the estate, no payment or distribution will be made on the holder's claim until the Debtor's claim or the Avoidance Claim has been settled or withdrawn or has been determined by the Court. Failure to set off or hold payment of a distribution will not waive or otherwise compromise a Debtor's ability or right to make the claim or setoff later.

If a distribution is returned to the Debtor unclaimed, with no indication of the payee's forwarding address, Debtor will hold the distribution for six months from the date of return. If not claimed by the payee by the end of that period, the distribution will become property of the Debtor. Distribution checks will be null and void if not negotiated within 180 days after the date of issuance. The Plan sets deadlines and procedures for requesting re-issuance of a distribution check.

If proof of a claim is required under Bankruptcy Rule 3003 and is not timely filed according to the provisions of the Bankruptcy Code or applicable Court order, the holder of the claim will not be treated as a creditor for purposes of distribution under the Plan and will receive no distribution under the Plan on account of the claim.

G. Effect of Confirmation

1. Discharge. Ordinarily, confirmation of a Plan provides for a discharge of the Debtor of all claims against it except to the extent that the Claims are preserved by the Plan. However, 11 U.S.C. § 1141(d)(3) does not permit a discharge in a Chapter 11 case where: (i) the plan provides for the liquidation of all or substantially all of the property of the estate; (ii) the debtor does not engage in business after consummation of the plan; and (iii) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title. Pursuant to Rabbe Farms' plan, all of its property will either be conveyed to secured creditors as provided herein or sold in the case of the Bin Site. Rabbe Farms will not engage in business following the expiration of these rights and because Rabbe Farms is not an individual, it is not entitled to a discharge under 11 U.S.C. § 727(a). Accordingly, Rabbe Farms does not seek

a discharge upon confirmation of its plan. After liquidation, Rabbe Farms will retain only its rights of first refusal as to the Farmland, a right which is not property of the estate.

2. Discharge Injunction. Ordinarily, a plan of reorganization would also give to the debtor an injunction to enforce the discharge. Because Rabbe Farms is not seeking a discharge, the plan does not contain a discharge injunction provision.

3. Exoneration. The Plan will provide exoneration of the Debtor and others working on the Plan process, other than for willful misconduct and permit them to reasonably rely on the opinions of experts and professionals. The language of the Plan is as follows:

Each and every entity voting to accept this Plan on account of its Allowed Claim or Interest shall be deemed to forever release and waive all claims, demands, debts, rights, causes of action and liabilities in connection with or related to any of the Debtor, the Chapter 11 Cases or this Plan, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, that are based in whole or in part on any act, omission or other occurrence taking place on or prior to the Effective Date, against the Released Parties to the fullest extent permitted under applicable law. Notwithstanding anything in this Plan or in the releases set forth above to the contrary, nothing herein shall be construed to release, and the Debtor do not hereby release, any rights of the Debtor: (a) to enforce this Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder; (b) to litigate claims objections, including without limitation to make any claim, or demand or allege and prosecute any cause of action against any Holder of any claim that has not been allowed by the terms of this Plan or Order of the Bankruptcy Court; and (c) to litigate claims and causes of action not specifically released herein, including claims and Causes of Action contained in any adversary complaint filed during the pendency of the Chapter 11 Cases that have not been withdrawn or dismissed prior to the Confirmation Date.

4. Release. Pursuant to the terms of the Settlement, upon the Effective Date, and upon satisfaction of all of the provisions of the Settlement, all obligations of the Rabbe Individuals under any guarantees of any debt to FSB shall be deemed released without further action by any party. Such release will not affect the right of FSB to continue the foreclosure of the Rabbe Individuals' Land.

H. Means of Execution.

1. Vesting of Property in the Debtor.

On the Effective Date, all of the property of the estate shall vest in the Reorganized Debtor.

2. Ongoing Operations.

The Debtor shall, after the occurrence of the Effective Date and after completing the transactions and conveyances required under the Plan, liquidate its remaining property, and distribute the proceeds first to payment of allowed administrative expenses and then as required

under 11 U.S.C. § 726. The Debtor does not expect that the proceeds will generate enough to pay the administrative expenses in full.

3. Conveyance of Property

The Plan provides for the conveyance of property as described above.

4. Sale of Properties or Refinancing

The Plan contemplates a post-confirmation sale of the Bin Site and certain equipment.

5. New Value and New Member Interests

The Plan provides that the interests of existing equity holders will be retained. As new value, the partners have agreed to guarantee the fees of Debtor's counsel.

6. Management of the Reorganized Debtor.

On the Effective Date, the managing General Partner of Rabbe Farms shall continue to be Joel Rabbe. Mr. Rabbe shall receive no compensation for serving in this position. It is anticipated that Mr. Rabbe's duties after the Effective Date will be limited to selling the remaining property of the Debtor and making the distributions and conveyances required under the Plan.

7. Corporate Action

On the Effective Date, the matters under this Plan involving or requiring action of the Debtor, including, but not limited to, execution of all documentation incident to this Plan, will be deemed to have been authorized by the confirmation order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the governors, managers, partners, or members of the Debtor.

V. PROOFS OF CLAIM AND ADMINISTRATIVE CLAIMS.

The deadline for non-governmental entities to file proofs of claim in these cases is was February 1, 2016. The deadline for governmental entities was February 1, 2016. The procedures of distribution on claims and for objections to claims is set out in Article IV(F) above. Local Bankruptcy Rules govern the method of filing administrative expense claims and the Court's order approving the Plan will set a bar date for filing such claims.

VI. TAX CONSEQUENCES OF THE PLAN.

The following discussion summarizes certain federal income tax consequences of the Plan to the Debtor, and to holders of general unsecured claims and interests. This summary does not address the federal income tax consequences to holders of allowed administrative expense claims, priority claims, or secured claims. This summary does not address foreign, state or local income tax consequences, or any estate or gift tax consequences of the Plan, nor does it

address the federal income tax consequences of the Plan to special classes of taxpayers. Accordingly, this summary should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a claim or interest.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS OR INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH SUCH HOLDER. THIS SUMMARY DOES NOT CONSTITUTE TAX ADVICE OR A TAX OPINION CONCERNING THE MATTERS DESCRIBED. THERE CAN BE NO ASSURANCE THAT THE INTERNAL REVENUE SERVICE WILL NOT CHALLENGE ANY OR ALL OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX CONSEQUENCES OF THE PLAN.

A. Federal Income Tax Consequences to the Debtor.

The Debtor anticipates that confirmation of the Plan will have no federal income tax consequences for the Debtor.

The Debtor, for tax purposes only, is disregarded as an entity separate from its owners since the Debtor has not made an election to be taxed as an association under Treasury Regulation Section 301.7701-3. Consequently, any tax consequences of the Plan will initially occur in the first regarded entities in the ownership structure. This will be general partners Joel Rabbe, Jon E. Rabbe, and Joyce Rabbe.

Section 61(a)(12) of the IRS Code provides generally that income from the discharge of indebtedness is includable as an item of gross income. In general, some event must occur to determine whether a debt has been discharged or cancelled. For example, an event can include a creditor accepting an amount less than full payment as a total satisfaction of a debt, a creditor may determine based on facts and circumstances that it is unlikely that an obligation will be repaid, or a debtor may acquire its own debt. Due to the factual nature of whether an event causing a discharge of indebtedness has occurred, the timing of the recognition of income from the discharge of indebtedness can be a subject of dispute with the Internal Revenue Service.

Not all instances of a cancellation of indebtedness will result in taxable income to the debtor. For example, IRS Code Section 108(e)(2) provides that no income is realized from the discharge of debt to the extent that payment of the liability would have given rise to a deduction. IRS Code Section 108(e)(2) would be applicable where a cash basis taxpayer who had not previously accrued and deducted interest on a debt had the unpaid interest cancelled by the creditor. Under those circumstances, there would be no discharge of indebtedness income presuming the interest was otherwise deductible by the taxpayer.

IRS Code Section 108(a)(1) provides several exceptions to the application of IRS Code Section 61(a)(12). For example, IRS Code Section 108(a)(1)(A) provides an exception to IRS Code Section 61(a)(12) by excluding from gross income the discharge of indebtedness income of a taxpayer if the discharge occurs in a title 11 case. IRS Code Section 108(d)(6)

provides that in applying the exceptions under IRS Code Section 108(a)(1) to a partnership, these exceptions are applied at the partner level and not the partnership level. As noted above, Joel Rabbe, Jon E. Rabbe, and Joyce Rabbe are the persons/entity to which IRS Code Section 108(d)(6) applies. Unless one of the exceptions described in IRS Code Section 108(a)(1) applies, income from any discharge of indebtedness arising from the confirmation of the Plan will be passed through to Joel Rabbe, Jon E. Rabbe, and Joyce Rabbe.

Gross income also includes any gain from the sale or exchange of property owned by the Debtor. For tax purposes, a foreclosure transaction (whether voluntary or involuntary where a deed in lieu of foreclosure is given) essentially represents a sale or exchange of property in satisfaction of a debt. The Treasury Regulations generally treat the transfer of property in satisfaction of a debt as two separate transactions. These two transactions are:

- a. The debtor recognizes gain (or loss) equal to the difference between the fair market value of the property being transferred and the debtor's basis in the property; and
- b. The debtor recognizes forgiveness of indebtedness income to the extent that the amount of the debt forgiven exceeds the fair market value of the property.

Thus, a debtor can incur either a gain or a loss on the transfer of the property based on the fair market value of the property transferred. Any gains or losses of the Debtor will flow through to Joel Rabbe, Jon E. Rabbe, and Joyce Rabbe. Any gains recognized may be offset against unused losses of the members, subject to applicable limitations under the IRS Code.

The tax consequences to the partners of Rabbe Ag and North Country Seed LLC will differ and will depend on factors specific to such owners including, but not limited to (i) whether the member can claim the benefit of the exceptions from the discharge of indebtedness income described in IRS Code Section 108(a)(1), (ii) whether the member has unused passive losses or similar losses, (iii) whether the member is a United States person or a foreign person for tax purposes, and (iv) whether the member reports income on the accrual or cash basis method.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH MEMBER. THEREFORE, IT IS IMPORTANT THAT EACH MEMBER OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH MEMBER AS A RESULT OF THE PLAN.

B. Federal Income Tax Consequences to Holders of General Unsecured Claims.

In accordance with the Plan, holders of general unsecured claims will receive no distribution on such claims. Any holder of a general unsecured claim may realize a loss in an amount equal to such claim, minus any recovery, on an adjusted tax basis.

The tax consequences to holders of general unsecured claims will differ and will depend on factors specific to such holder, including but not limited to: (i) whether the claim, or a portion thereof, constitutes a claim for interest or principal, (ii) the origin of the claim, (iii) the

type of consideration received in exchange for the claim, (iv) whether the holder is a United States person or a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with respect to the claim.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO EACH HOLDER OF A GENERAL UNSECURED CLAIM. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF A GENERAL UNSECURED CLAIM OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF A GENERAL UNSECURED CLAIM AS A RESULT OF THE PLAN.

C. Federal Income Tax Treatment of Interests.

In accordance with the Plan, holders of interests will retain such interests. As noted in the discussion concerning the Federal Income Tax Consequences to the Debtor, the Debtor is treated, for tax purposes only, as a disregarded entity. Consequently, the retention of such equity interests should not result in any federal income tax consequences to the holders of such interests.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO EACH HOLDER OF AN INTEREST. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF AN INTEREST OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF AN INTEREST AS A RESULT OF THE PLAN.

D. Withholding and Reporting.

Payments of interest, dividends, and certain other payments are generally subject to backup withholding at the rate of 28% unless the payee furnishes his, her or its correct taxpayer identification number to the payor. The Debtor may be required to withhold the applicable percentage of any payments made to a holder who does not provide its taxpayer identification number. Backup withholding is not an additional tax, but an advance payment that may be refunded to the extent it results in an overpayment of tax.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN FEDERAL INCOME TAX CIRCUMSTANCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, AND LOCAL INCOME AND OTHER TAX CONSEQUENCES UNDER THE PLAN.

VII. ALTERNATIVES TO THE PLAN.

The Plan effectuates a global settlement with FSB, the primary secured creditor of the Debtor, reached through mediation. The settlement however is required to be implemented through confirmation of the Plan. The settlement allows the Debtor to retain the Bin Site and certain equipment which will be sold to pay administrative expenses in part.

Ordinarily, one alternative to the Plan would be liquidation under Chapter 7 of the Bankruptcy Code. But because the Debtor is a “farmer” within the definition in 11 U.S.C. § 101(20), the case cannot be converted except by consent of the Debtor and the Debtor will not provide such consent.

Another alternative could be the dismissal of the case. The Debtor will oppose any motion to dismiss. But should the case be dismissed, then the Debtor expects that FSB may claim that it is no longer bound by the terms of the settlement and assert rights to foreclose on *all* of the Debtor’s property.

This case is administratively insolvent. There will be some unencumbered proceeds from the sales of the Bin Site and the unencumbered equipment to pay some, but not all, of the administrative expenses. There is no scenario where the unsecured creditors will receive any distributions. Attached as Exhibit G is an analysis of expected recoveries to creditors under the Plan or under a hypothetical chapter 7 liquidation of the Debtor. That analysis demonstrates that, on balance, and considering the interests of all creditors, and the timing of distributions, parties are better off under the Plan of Reorganization than under a conversion of the case to chapter 7 because the July 8 Settlement requires confirmation of the Plan, a condition that could not be satisfied in a Chapter 7.

VIII. ACCEPTANCE AND CONFIRMATION OF THE PLAN.

A. General Confirmation Requirements.

Bankruptcy Code section 1129(a) contains several requirements for confirmation of a plan. Among these requirements are that a plan be proposed in good faith, that certain information be disclosed regarding payments made or promised to be made to insiders, and that the plan comply with the applicable provisions of Chapter 11. The Debtor believes that it has complied with these requirements, including those requirements discussed below.

B. Best Interests Test.

The “best interests of creditors” test requires that the Bankruptcy Court find either that all members of each impaired class have accepted the plan or that each holder of an allowed claim or interest of each impaired class of claims or interest will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date.

The Debtor has proposed a Plan that leaves all secured creditors, other than FSB, unimpaired. FSB has consented through the July 8 Settlement to the treatment proposed in the Plan.

The Debtor believes that the Plan as proposed is in the best interest of all creditors. If the Plans is not confirmed, there will not only be no funds available to pay general unsecured claims but the amount to partially satisfy the administrative expense claims will be reduced. The value of the Debtor's assets is fully encumbered by secured debt.

The Plan provides the indubitable equivalent of the secured creditors' claims, other than FSB, unimpaired access to their rights under state law and their loan documents. FSB is receiving the indubitable equivalent of its secured claims as a result of its agreeing to such treatment in the July 8 Settlement. In addition, an involuntary conversion of the case to a Chapter 7 is prohibited by 11 U.S.C. § 1112(c). But even if the Debtor voluntarily converted the case, the Plan reduces the potential costs and delays associated with a Chapter 7 liquidation, such as: (a) the substantial time which would elapse before creditors would receive any distribution in respect of their claims due to a trustee's need to become familiar with the Chapter 11 case and the Debtor's books and records, and the trustee's duty to conduct independent investigations; (b) the additional unsecured claims that may be asserted against the Debtor; (c) the lack of the trustee's knowledge, and the likely inability of the trustee to retain key personnel who can provide such knowledge regarding Debtor's operations; and (e) the trustee would likely not be able to time the sales of assets to maximize their value. Accordingly, Debtor believes the Plan meets the best interests test.


C. Financial Feasibility Test.

In addition to the requirements discussed above, the Bankruptcy Code requires that consummation of the Plan will not likely be followed by the liquidation or the need for further financial reorganization of the Debtor. The Debtor anticipates liquidation through the Plan and therefore it is not necessary to demonstrate post-confirmation financial feasibility. Accordingly, the Debtor believes that the Plan passes the feasibility test.

IX. CONCLUSION.

The Plan offers the best alternative for payment to creditors. It implements the July 8 Settlement with FSB, proposes to sell all remaining property, pay administrative claims in part even though it leaves nothing for unsecured creditors. Accordingly, the Debtor requests that each holder of a claim or equity interest accept the proposed Plan and complete and return the ballot.

RABBE FARMS LLP

By:  _____

Joel Rabbe
General Partner

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EXHIBIT A

Definitions

Capitalized terms used in this Disclosure Statement and the accompanying Plan have the following meanings. The Bankruptcy Code also defines many terms; those definitions are incorporated by reference.

1.1. “Allowed” or “allowed” means with respect to any claim, (a) a claim that has been scheduled by the Debtor in its Schedules as other than disputed, contingent, or unliquidated and as to which the Debtor or any other party-in-interest have not filed an objection; (b) a claim that either is not a contested claim or has been allowed by a Final Order; (c) a claim that is determined by the Debtor to be allowed; (d) a claim that is allowed in a stipulation or settlement executed prior to or after the Effective Date; (e) a claim relating to a rejected executory contract or unexpired lease that is not a contested claim or has been allowed by a Final Order, only if a proof of claim has been timely filed; or (f) a claim as to which a proof of claim has been timely filed and as to which the Debtor or any party-in-interest have not filed an objection; and with respect to all claims, only after reduction for applicable setoff and similar rights of the Debtor.

1.2. “Assets” means all the right, title, and interest in and to property of whatever type or nature owned by the Debtor or subsequently acquired by the Debtor, including any property of the estate for purposes of Section 541 of the Bankruptcy Code, including Avoidance Claims and Causes of Action, as of the Confirmation Date.

1.3. “Avoidance Claim” means any claim of the Debtor or the bankruptcy estates pursuant to Sections 544, 545, 547, 548, 549, 550, or 551 of the Bankruptcy Code.

1.4. “Bankruptcy Code” or “Code” means Title 11 of the United States Code.

1.5. “Bankruptcy Rule” or “Rule” means a Federal Rule of Bankruptcy Procedure.

1.6. “Bin Site” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 6” legally described as:

A tract of land in the Southwest Quarter of the Southwest Quarter of Section 18, Township 104 North, Range 32 West, Martin County, Minnesota, described as follows: Beginning at the Southwest corner of the Southwest Quarter of Section 18; thence North 0°00'00" East (assumed bearing) along the West line of the Southwest Quarter a distance of 435.60 feet; thence North 88°58'14" East parallel with the South line of the Southwest Quarter a distance of 500.00 feet; thence South 0°00'00" West parallel with the West line of the Southwest Quarter a distance of 435.60 feet to the South line of the Southwest Quarter; thence South 88°58'14" West along the South line of the Southwest Quarter a distance of 500.00 feet to the point of beginning.

EXCEPTING THEREFROM a tract of land in the Southwest Quarter of the Southwest Quarter of Section 18, Township 104 North, Range West, Martin County, Minnesota, described as follows: Beginning at the Southwest corner of the Southwest Quarter of

Section 18, Township 104 North, Range 32 West, Martin County, Minnesota; thence North 0°00'00" East (assumed bearing) along the West line of the Southwest Quarter a distance of 435.60 feet; thence North 88°58'14" East parallel with the South line of the Southwest Quarter a distance of 342.66 feet; thence South 0°00'00" West parallel with the West line of the Southwest Quarter a distance of 261.60 feet; thence South 88°58'14" West parallel with the South line of the Southwest Quarter a distance of 40.00 feet; thence South 0°00'00" West parallel with the West line of the Southwest Quarter a distance of 174.00 feet to the South line of the Southwest Quarter; thence South 88°58'14" West along the South line of the Southwest Quarter a distance of 302.66 feet to the point of beginning.

[Tax Parcel No. 08.018.0800]

1.7. “Causes of Action” means any and all actions, proceedings, causes of action (including, without limitation, any causes of action of a debtor or debtor in possession under chapter 5 of the Bankruptcy Code such as the Avoidance Claims or turnover actions), liabilities, obligations, suits, reckonings, covenants, contracts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, rights to object to claims, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured or whether asserted or assertable directly or derivatively, in law, equity or otherwise, and all rights thereunder or attendant thereto.

1.8. “Chapter 11 Case” means, as applicable, (i) the bankruptcy case of Rabbe Farms LLP, case number 15-33479, (ii) the bankruptcy case of Rabbe Ag Enterprises, case number 15-33481, or (iii) the bankruptcy case of North Country Seed LLC, case number 15-33482, pending in the Bankruptcy Court for the District of Minnesota.

1.9. “Confirmation Date” means the date on which the Confirmation Order is entered.

1.10. “Confirmation Order” means the order confirming this Plan.

1.11. “Contested Claim” means a claim to which an objection has been made.

1.12. “Court” means a United States Bankruptcy Judge for the District of Minnesota, or any other court having competent jurisdiction to issue an order in this case.

1.13. “Debtor” means Rabbe Farms LLP, as one of the debtors-in-possession in the above jointly administered cases.

1.14. “Debtors” means Rabbe Farms LLP, Rabbe Ag Enterprises, and North Country Seed, LLC, as debtors-in-possession in the above jointly administered cases.

1.15.

1.16. “DIP Account” means the Debtor-in-Possession account of Rabbe Farms maintained at U.S. Bank, Account No. _____-9930.

1.17. “Disclosure Statement” means the Separate Disclosure Statement of Rabbe Farms LLP dated January __, 2017, as amended or modified.

1.18. “Effective Date” means the first day on which the conditions precedent set forth in Section 9.2 are met or are waived by the Debtor pursuant to Section 9.3.

1.19. “Elevators” means the Trimont Elevator, Sherburn Elevator, Odin elevator and Ormsby Elevator as those terms are described herein.

1.20. “Farmland” means the aggregate of approximately 503 acres owned by Rabbe Farms including Farmland 150.56 Acres, Farmland 76 Acres, Farmland 116.32 Acres, Farmland 80 Acres Section 28, and Farmland 80 Acres Section 33.

1.21. “Farmland 150.56 Acres” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 3” legally described as:

The Northeast Quarter (NE¼) of Section Fifteen (15), Township One Hundred Four (104) North, Range Thirty-two (32) West of the Fifth Principal Meridian, EXCEPTING THEREFROM the following described tract of land:

That part of the Northeast Quarter of the Northeast Quarter (NE¼ of NE¼) of Section Fifteen (15), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota, described as follows, to-wit: Commencing at the northeast corner of said Section 15; thence on an assumed bearing of South 90 degrees 00 minutes West, along the north line of said Section, a distance of 766.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence South 0 degrees 00 minutes West a distance of 1305.00 feet to an iron monument; thence South 90 degrees 00 minutes West a distance of 535.00 feet to an iron monument; thence North 0 degrees 00 minutes East a distance of 586.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 490.00 feet to an iron monument; thence North 0 degrees 00 minutes East a distance of 719.00 feet to an iron monument located on the north line of said section; thence North 90 degrees 00 minutes East, along said north line, a distance of 45.00 feet to the point of beginning.

ALSO EXCEPTING THEREFROM:

A tract of land conveyed to School District No. 67, described as follows: Beginning at the Northeast corner of said Section Fifteen (15); thence South 13 ½ rods on the Section line; thence West parallel with the North Section line 17 ½ rods; thence North parallel with the East Section line 13 ½ rods to the North Section line; thence East on the North Section line 17 ½ rods to the place of beginning.

[Tax Parcel No. 08.015.0100]

1.22. “Farmland 76 Acres” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 4” legally described as:

East Half of Northwest Quarter (E½ of NW ¼), Section Sixteen (16), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota.

EXCEPTING THEREFROM that part of the Northeast Quarter of the Northwest Quarter (NE $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section Sixteen (16), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota, described as follows: Commencing at the Northwest corner of said Section Sixteen (16); thence on an assumed bearing of North 90 degrees 00 minutes East, along the North line of said section, a distance of 1789.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence continuing North 90 degrees 00 minutes East, along said North line, a distance of 30.00 feet to an iron monument; thence South 2 degrees 00 minutes East a distance of 749.46 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 124.70 feet to an iron monument; thence South 0 degrees 00 minutes West a distance of 260.00 feet to an iron monument; thence South 90 degrees 00 minutes West a distance of 403.99 feet to an iron monument; thence North 0 degrees 00 minutes East 450.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 242.65 feet to an iron monument; thence North 2 degrees 00 minutes West a distance of 559.34 feet to the point of beginning.

[Tax Parcel No. 08.016.0150]

1.23. “Farmland 116.32 Acres” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 5” legally described as:

The East Half of the Southwest Quarter (E $\frac{1}{2}$ of SW $\frac{1}{4}$) of Section Twenty-two (22), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota. TOGETHER WITH that part of the West Half of the Southeast Quarter (W $\frac{1}{2}$ of SE $\frac{1}{4}$) of Section Twenty-two (22), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota, lying West of the following described line: Commencing at the South Quarter corner of said Section Twenty-two (22); thence on an assumed bearing of South 89 degrees 26 minutes 45 seconds East, along the South line of said section, a distance of 603.68 feet to an iron monument, said iron monument being the point of beginning of the line to be described; thence North 0 degrees 37 minutes 38 seconds East a distance of 2651.98 feet to an iron monument located on the East-West quarter line of said section and said line there terminating.

[Tax Parcel No. 08.022.0700]

1.24. “Farmland 80 Acres Section 28” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 9” legally described as:

South Half of Southeast Quarter (S $\frac{1}{2}$ of SE $\frac{1}{4}$), Section Twenty-eight (28), Township One Hundred Five (105) North, Range Thirty-two (32) West, Watonwan County, Minnesota.

[Tax Parcel No. 05.028.0700]

1.25. “Farmland 80 Acres Section 33” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 9” legally described as:

North Half of Northeast Quarter (N ½ of NE ¼), Section Thirty-three (33), Township One Hundred Five (105), Range Thirty-two (32), Watonwan County, Minnesota.
[Tax Parcel No. 05.033.0200]

1.26. “Filing Date” means September 29, 2015.

1.27. “Final Order” means an order of the Court which has not been reversed, stayed, modified, or amended and the time to appeal from or to seek review or rehearing of such order has expired.

1.28. “FSB” means Farmers State Bank of Trimont, a creditor in the above cases.

1.29. “Lender Collateral” means the collateral described in the prepetition lending documents of FSB in existence on the Petition Date and any proceeds and products thereof.

1.30. “North Country Seed or NCS” means the debtor and debtor-in-possession in case no. 15-33482.

1.31. “Odin Elevator” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 7” legally described as:

That part of the West Half of Southeast Quarter (W ½ of SE ¼) of Section Twenty-five (25), Township One Hundred Five (105), Range Thirty-three (33), bounded as follows: On the Southeast by the Southeasterly line, and the Northeasterly and Southwesterly extensions thereof, of Lot Seventeen (17) of Warehouse Lots according to the plat of the Village of Odin; on the Northwest by the Northwesterly line, and the Northeasterly and Southwesterly extensions thereof, of Lot Twenty-one (21) of said Warehouse Lots; on the Northeast by a line parallel with and distant 8.5 feet Southwesterly, measured at right angles, from the center line of Chicago and North Western Railway Company Spur Track I.C.C. #40, as said spur track is now located; and on the Southwest by a line parallel with and distant 200 feet Southwesterly, measured at right angles, from the center line of the main track of the Minnesota and Iowa Railway Company (now the Chicago and North Western Railway Company), as said main track center line was originally located and established across said Section Twenty-five (25);

AND

That part of Outlot Eleven (11) of the Subdivision entitled "Blocks Thirteen (13) and Fourteen (14) and Outlots Five (5), Six (6), Seven (7), Eight (8), Nine (9), Ten (10), and Eleven (11)" to the Town of Odin, described as follows, to-wit: Commencing at a point at the extreme Southeastern tip Outlot Eleven (11) (located West of Railway in Odin), thence due West on the South line of said outlot a distance of 78 feet, thence Northeasterly on a diagonal line a distance of 223 feet to the East line of said outlot, thence South on the East line of Outlot Eleven (11), a distance of approximately 208 feet to place of beginning.

Together with that portion of the vacated adjoining (unnamed) platted street accruing thereto, as vacated by Resolution recorded August 1, 2013, as Document No. 221324.

All in Watonwan County, Minnesota.
[Tax Parcel No. 18.025.2300]

1.32. “Olson Building Site” means that real property formerly owned by Rabbe Ag and legally described as:

That part of Lots Eleven (11) and Twelve (12) of Block Twelve (12) of the Original Plat of Ormsby and in the North Fractional Half of the Northeast Quarter (N Fr. 1/2 of NE 1/4) of Section Five (5), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota, described as follows: Beginning at the Northwest corner of said Lot Twelve (12) of Block Twelve (12) of the Original Plat of Ormsby, according to the recorded plat thereof; thence on an assumed bearing of South 89°21'35" East, along the North line of said Block Twelve (12), a distance of 127.14 feet to the Northeast corner of said Lot Eleven (11); thence South 0°38'28" West, along the East line of said Lot Eleven (11), a distance of 139.90 feet to the Southeast corner of said Lot Eleven (11); thence South 1°50'07" East a distance of 34.74 feet to an iron monument; thence South 0°55'49" East a distance of 26.33 feet to an iron monument; thence South 1°14'24" West a distance of 212.85 feet to an iron monument; thence North 89°22'23" West a distance of 410.69 feet to an iron monument; thence North 0°38'25" East a distance of 273.87 feet to an iron monument located on the South line of said Block Twelve (12); thence South 89°22'23" East, along said South line, a distance of 283.56 feet to the Southwest corner of said Lot Twelve (12); thence North 0°38'28" East, along the West line of said Lot Twelve (12), a distance of 139.93 feet to the point of beginning.

1.33. “Ormsby Elevator” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 8” legally described as:

That part of the Southwest Quarter of the Southwest Quarter (SW ¼ of SW ¼) of Section Thirty-three (33), Township One Hundred Five (105) North, Range Thirty-two (32) West of the Fifth Principal Meridian, bounded and described as follows, to-wit: Beginning at the intersection of the Northerly line of Main Street and the Easterly line of Railroad Avenue; thence Northeasterly, along said Easterly line of Railroad Avenue, a distance of 446.7 feet; thence Easterly, along a line parallel to the Northerly line of said Main Street, a distance of 145 feet, more or less, to a line that is parallel to and distant 8.5 feet Westerly measured at right angles, to the center line of said Railway Company's Spur Track I.C.C. No. 34; thence Southwesterly, along said parallel line, a distance of 325 feet, more or less, to a line that is drawn at right angles to the center line of said Spur Track I.C.C. No. 34 at a point distant 165 feet Northeasterly, as measured along said center line, from the center line of said Main Street; thence Northwesterly, along the last described line, a distance of 23.5 feet; thence Southwesterly, at right angles to the last described line, a distance of 130 feet, more or less, to the Northerly line of said Main Street; thence Westerly, along said Northerly line, a distance of 122 feet, more or less, to the point of beginning.

AND

That part of Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section Thirty-three (33), Township One Hundred Five (105) North, Range Thirty-two (32) West of the Fifth Principal Meridian, bounded and described as follows: Commencing at the intersection of the center line of Main Street, and the center line of Chicago and North Western Transportation Company spur track ICC No. 34; thence Northeasterly along said spur track center line a distance of 165 feet; thence Northwesterly at right angles to the last described course a distance of 8.5 feet to the point of beginning of the parcel of land herein described; thence continuing Northwesterly at right angles to said spur track center line a distance of 23.5 feet; thence Southwesterly parallel with said spur track center line to a point on the North line of said Main Street; thence Easterly along said North line of Main Street to a point distant 8.5 feet Northwesterly, measured at right angles, from said spur track center line; thence Northeasterly parallel with said, spur track center line to the point of beginning.

All in Watonwan County, Minnesota.
[Tax Parcel No. 19.033.0600].

1.34. “NCS Property” means that real property owned by North Country Seed and legally described as:

Tract A: That part of the Northeast Quarter of the Northeast Quarter of Section 5, Township 104 North, Range 32, West of the Fifth Principal Meridian, bounded and described as follows, to-wit: Beginning at the intersection of the southerly line of Main Street in the Village of Ormsby and the northwesterly line of that portion of Railroad Avenue vacated by Resolution No. 154942, as recorded by the Register of Deeds of Martin County, in Book 16 of Miscellaneous Records on Page 394, on November 13, 1945; thence southwesterly along said northwesterly line, a distance of 297.30 feet to the northerly line of First Street; thence easterly, parallel to the southerly line of said Main Street, to the westerly right-of-way line of the Chicago and North Western Railway Company (formerly the Minneapolis and St. Louis Railway Company) as established by conveyance from the Iowa and Minnesota Land & Townsite Company to said Minneapolis & St. Louis Railway Company by deed dated May 14, 1900, and recorded in said County in Book 84, on Page 333, on June 5, 1900, said line being 200 feet westerly, measured at right angles, from the center line of the Chicago and North Western Railway Company's main track, as said main track was originally located and established; thence southwesterly, along said right-of-way line, a distance of 580 feet, more or less, to a line that is drawn at right angles to said original center line at a point distant 944 feet southwesterly, as measured along said original center line, from the center line of said Main Street; thence southeasterly, along the last described line, a distance of 150 feet, more or less, to a line that is parallel to and distant 50 feet westerly, measured at right angles, from the center line of the Chicago and North Western Railway Company's main track, as said main track is now located and established; thence northeasterly, along the last described line, a distance of 440 feet, more or less, to a line that is parallel to and distant 9 feet westerly, measured radially, from the center line of said Railway Company's Spur Track I.C.C. No. 34, as said Spur Track is now located and established; thence continuing northeasterly, along said parallel line, to the southerly line of said Main Street; thence westerly, along said southerly line, a distance of 165 feet, more or less, to

the point of beginning. AND That part of the Northeast Quarter of the Northeast Quarter of Section 5, Township 104 North, Range 32 West of the Fifth Principal Meridian, bounded and described as follows: Beginning at a point on the North line of said Section 5 distant 9 feet northwesterly, measured at right angles, from the center line of Chicago and North Western Transportation Company (formerly Minneapolis & St. Louis Railway Company) spur track ICC No. 34 (now removed), as said spur track was located prior to its removal; thence southwesterly parallel with said (former) spur track center line a distance of 525 feet, more or less, to a point distant 50 feet northwesterly, measured at right angles, from said original main track center line; thence southwesterly parallel with said original main track center line a distance of 419 feet, thence easterly to a point distant 50 feet southeasterly, measured at right angles, from said original main track center line; thence northeasterly parallel with said original main track center line to a point where said line intersects the North line of said Section 5; thence westerly along said North line to the point of beginning, Martin County, Minnesota.

1.35. “Petition Date” means September 29, 2015.

1.36. “Plan” means this chapter 11 plan of reorganization as amended or modified.

1.37. “Rabbe Ag” means Rabbe Ag Enterprises, the debtor and debtor-in-possession in case no. 15-33481.

1.38. “Rabbe Farms” means Rabbe Farms LLP, the debtor and debtor-in-possession in case no. 15-33479.

1.39. “Rabbe Farms FSB Debt” has the meaning ascribed to it in Section II.A. above.

1.40. “Rabbe Individuals” means Joel S. Rabbe, Kirsten C. Rabbe, Jon E. Rabbe, Debra A. Rabbe, Joyce L. Rabbe and Joyce L. Rabbe as Trustee of the Residual Trust Created Pursuant to Article VII of the Last Will and Testament of John J. Rabbe of August 13, 2007.

1.41. “Rabbe Individuals’ Land” means real property in Martin and Watonwan Counties legally described as follows:

Martin County Property:

Parcel One:

Tract A:

Outlot C, Krause, Subdivision No. 1, Village of Ormsby, Martin County, Minnesota.

Tract B:

The Northwest Quarter (NW¹/₄) of Section Four (4), Township One Hundred Four (104) North, Range Thirty-two (32) West of the Fifth Principal Meridian, Martin County, Minnesota, but EXCEPTING THEREFROM: Stroschein Subdivision No. 2 according to the plat or map on file and of record in the office of the Register of Deeds, Martin

County, Minnesota; AND ALSO EXCEPTING THEREFROM: Outlots A, B, and C, Lots One (1) through Twelve (12) inclusive, Block One (1), Krause Subdivision No. 1, according to the map or plat on file and of record in the office of the Register of Deeds, **Martin County, Minnesota**, consisting of 140.94 acres, more or less.

Parcel No.: 08.004.0400

Parcel Two:

The East Half of the Northeast Quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$) of Section Thirty-three (33), Township One Hundred Four (104) North, Range Thirty-two (32), West of the Fifth Principal Meridian, **Martin County, Minnesota**.

Parcel No.: 08.033.0300

Parcel Three:

Intentionally omitted. [Watonwan County property]

Parcel Four:

Government Lot One (I), Section Thirty-six (36), Township One Hundred Four (104) North, Range Thirty-two (32) West described as beginning at the Northwest corner of Government Lot I in said Section 36; thence on an assumed bearing of South 0 degrees 00 minutes 00 seconds West, along the west line of said Government Lot I, a distance of 1931.00 feet to an iron monument; thence North 64 degrees 56 minutes 06 seconds East a distance of 717.85 feet to an iron monument; thence North 36 degrees 00 minutes 00 seconds East a distance of 578.00 feet to an iron monument; thence North 0 degrees 00 minutes 00 seconds East a distance of 1155.00 feet to an iron monument located on the north line of said Government Lot 1; thence North 89 degrees 45 minutes 10 seconds West, along said north line, a distance of 990.00 feet to the point of beginning, containing 37.37 acres, subject to easements now of record in said county and state; South Half of South Half of Northeast Quarter (S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$), North Half of Southeast Quarter (N $\frac{1}{2}$ SE $\frac{1}{4}$), Southwest Quarter of Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$), Government Lot one (1), Section Thirty-five (35), Township One Hundred Four (104) North, Range Thirty-two (32) West; beginning at the Northeast corner of Government Lot I in said Section 35; thence on an assumed bearing of South 0 degrees 00 minutes 00 seconds West, along the east line of said Government Lot I, a distance of 624.07 feet to an iron monument; thence South 70 degrees 00 minutes 00 seconds West a distance of 776.00 feet to an iron monument; thence South 86 degrees 31 minutes 38 seconds West a distance of 649.55 feet to an iron monument located on the west line of said Government Lot 1; thence North 0 degrees 36 minutes 42 seconds East, along said west line a distance of 941.00 feet to the northwest corner of said Government Lot I; thence South 89 degrees 29 minutes 32 seconds East, along the north line of said Government Lot I, a distance of 1367.56 feet to the point of beginning, containing 26.29 acres, subject to easements now

of record in said county and state; excepting therefrom the following described two tracts:

Excepted Tract One: Beginning at the NW corner of the SE $\frac{1}{4}$ of Section 35, proceed 330 feet due North; thence 1518 feet due East; thence 861.3 feet due South; thence 1518 feet due West; thence 531.3 feet due North to the point of beginning.

Excepted Tract Two: A strip of land approximately 55 feet wide running due East and West along either side of the quarter section line of Section 35 from the East line of excepted Tract One above to the East line of Section 35, commonly known as the driveway right of way containing 1.41 acres, more or less.

Martin County, Minnesota.

Parcel No.: 08.035.0100

Parcel Five:

East Half of the Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$) of Section Sixteen (16), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota. Subject to existing highways, easements and rights of way of record. The above described premises contains 80 acres, more or less.

Parcel No.: 08.016.0100

Parcel Six:

All that part of Section Seventeen (17) that is East of the Minneapolis and St. Louis Railroad right of way and excepting therefrom lands that have been taken for Minnesota State Highway use and subject to easements of record, and further excepting all that part of said Section Seventeen (17) that is described as South Half of Southeast Quarter and South Half of the Southwest Quarter lying east of above mentioned railroad right of way; and also excepting therefrom all of the North Half (N $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) lying East of the Minneapolis St. Louis Railroad right of way and excepting therefrom lands that have been taken for Minnesota Highway use and subject to easements of record, all in Township 104 N. Range 32 West of the 5th P.M., Martin County, Minnesota.

Parcel No.: 08.017.0100

Parcel Seven:

All of the North Half of the Northeast Quarter (N $\frac{1}{2}$ of NE $\frac{1}{4}$) lying East of the railroad right-of-way in Section Seventeen (17), Township One Hundred Four (104) North, Range Thirty-two (32) West of the 5th P.M., Martin County, Minnesota.

Parcel No.: 08.017.0200

Parcel Eight:

A strip of land 100 feet in width extending over and across: The East Half of the Southwest Quarter ($E\frac{1}{2}$ of $SW\frac{1}{4}$) of Section Seventeen (17) said strip of land being 50 feet in width on each side of the center line of the main track (now removed) of the Minneapolis & St. Louis Railway Company (now the Chicago and North Western Transportation Company), as said main tract center line was originally located and established over and across said Section Seventeen (17), Township One Hundred Four (104) North, Range Thirty-two (32) West of the Fifth Principal Meridian AND that part of the Southwest Quarter of Section Seventeen (17), lying West of the right-of-way of the Minneapolis and St. Louis Railway, in Township One Hundred Four (104) North, Range Thirty-two (32) West of the Fifth Principal Meridian, containing 111.83 acres, more or less, according to the United States Government Survey EXCEPTING THEREFROM that part of the West Half of the Southwest Quarter ($W\frac{1}{2}$ of $SW\frac{1}{4}$) of Section Seventeen (17), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota, described as follows: Commencing at the Southwest corner of said Section Seventeen (17); thence on an assumed bearing of North 0 degrees 00 minutes 00 seconds East, along the East line of said Section, a distance of 1145.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence North 89 degrees 20 minutes 00 seconds East a distance of 686.00 feet to an iron monument; thence North 0 degrees 00 minutes 00 second East a distance of 291.00 feet to an iron monument; thence South 89 degrees 20 minutes 00 seconds West a distance of 320.00 feet to an iron monument; thence South 0 degrees 00 minutes 00 seconds West a distance of 250.00 feet to an iron monument; thence South 89 degrees 20 minutes 00 seconds West a distance of 366.00 feet to an iron monument located on the West line of said section; thence South 0 degrees 00 minutes 00 seconds West, along said west line, a distance of 41.00 feet to the point of beginning, containing 2.48 acres, subject to easements now of record in said County and State. **Martin County, Minnesota.**

Parcel No.: 08.017.0400

Parcel Nine:

All of the part of Southeast Quarter ($SE\frac{1}{4}$) of Section Eighteen (18) Township One Hundred Four (104) North, Range Thirty-two (32) West of the Fifth Principal Meridian lying East of the Railroad right of way, **Martin County, Minnesota.**

Parcel No.: 08.018.0400

Parcel Ten:

East Half of the Southwest Quarter ($E\frac{1}{2}$ of $SW\frac{1}{4}$) of Section Twenty-one (21), Township One Hundred Four (104) North, Range Thirty-two (32) West of the 5th P.M., **Martin County, Minnesota.**

Parcel No.: 08.021.0600

Parcel Eleven:

West Half of the Southwest Quarter (W½SW¼) of Section Twenty-one (21), Township One Hundred Four (104) North, Range Thirty-two (32) West of the 5th P.M., **Martin County, Minnesota.**

Parcel No.: 08.021.0700

Parcel Twelve:

The East 1639.82 feet of the Southeast Quarter (SE¼) of Section Thirty-five (35), Township One Hundred Four (104) North, Range Thirty-three (33) West, Martin County, Minnesota, containing 97.74 acres, subject to easements now of record in said County and State.

Parcel No.: 01.035.0350

Watonwan County Property:

The North Half of the Southeast Quarter, Section 28, Township 105 North, Range 32 West, Watonwan County, Minnesota EXCEPTING THEREFROM the following: That part of the Northeast Quarter of the Southeast Quarter of Section 28, Township 105 North, Range 32 West, Watonwan County, Minnesota, described as follows: Commencing at the Southeast corner of said Section 28; thence on an assumed bearing of North 0 degrees 00 minutes East, along the east line of said section, a distance of 1709.00 feet to an iron monument said iron monument being the point of beginning of the tract to be described; thence South 90 degrees 00 minutes West a distance of 778.00 feet to an iron monument, thence North 0 degrees 00 minutes East a distance of 708.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 778.00 feet to an iron monument located on the east line of said section; thence South 0 degrees 00 minutes West along said east line, a distance of 708.00 feet to the point of beginning.

Parcel Identification No. R-05 .028.0810.

1.42. “Railway Strip” means that real property owned by Rabbe Ag and legally described as:

Tract B: A strip of land 100 feet in width extending over and across: The East Half of the Northeast Quarter of Section 5, Township 104 North, Range 32 West of the Fifth Principal Meridian, EXCEPT the following described tract: That part of the Northeast Quarter of the Northeast Quarter of Section 5, Township 104 North, Range 32 West of the Fifth Principal Meridian bounded and described as follows: Beginning at a point on the North line of said Section 5 distant 9 feet northwesterly, measured at right angles, from the center line of Chicago and North Western Transportation Company (formerly

Minneapolis & St. Louis Railway Company) spur track ICC No. 34 (now removed), as said spur track was located prior to its removal; thence southwesterly parallel with said (former) spur track center line a distance of 525 feet, more or less, to a point distant 50 feet northwesterly, measured at right angles, from said original main track center line; thence southwesterly parallel with said original main track center line a distance of 419 feet, more or less, thence easterly to a point distant 50 feet southeasterly, measured at right angles, from said original main track center line; thence northeasterly parallel with said original main track center line a distance of 944 feet, more or less, to a point on the north line of Section 5, thence westerly along said North line to the point of beginning. Said strip of land being 50 feet on each side of the center line of the main track (now removed) of the Minneapolis & St. Louis Railway Company (now the Chicago and North Western Transportation Company), as said track center line was originally located and established over and across said Section 5, Township 104 North, Range 32 West of the Fifth Principal Meridian, Martin County, Minnesota. ALSO DESCRIBED AS That part of the East Half of the Northeast Fractional Quarter of Section 5, Township 104 North, Range 32 West, Martin County, Minnesota, described as follows: Commencing at the Northeast corner of said Section 5, thence on an assumed bearing of North 89 degrees 24 minutes 01 seconds West, along the North line of said section, a distance of 467.07 feet to the centerline of a former railroad; thence South 11 degrees 51 minutes 44 seconds West, along said centerline, a distance of 944.00 feet to the point of beginning of the tract to be described; thence South 78 degrees 08 minutes 16 seconds East a distance of 50.00 feet to the easterly right of way line of said former railroad; thence South 11 degrees 51 minutes 44 seconds West, along said easterly right of way line, a distance of 1606.35 feet to the East-West quarter line of said section; thence North 89 degrees 53 minutes 18 seconds West, along said East-West quarter line, a distance of 102.14 feet to the westerly right of way line of said former railroad; thence North 11 degrees 51 minutes 44 seconds East, along said westerly right of way line, a distance of 1627.15 feet to a line that bears North 78 degrees 08 minutes 16 seconds West from the point of beginning; thence South 78 degrees 08 minutes 16 seconds East a distance of 50.00 feet to the point of beginning.

1.43. “Released Parties” means the Debtor and its current and former partners and officers and the Rabbe Individuals.

1.44. “Reorganized Debtor” means the Debtor on and after the Effective Date.

1.45. “Representative” means, with respect to an entity, such entity’s successor, predecessor, officer, director, governor, manager, trustee, partner, employee, agent, attorney, advisor, investment banker, financial advisor, accountant or other professional.

1.46. “Schedules” means the schedules of Assets and liabilities of the Debtor on file with the Clerk of the United States Bankruptcy Court for the District of Minnesota, as from time to time amended in accordance with Bankruptcy Rule 1009.

1.47. “Sherburn Elevator” means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor’s schedules as “Property 1” legally described as:

Tract A

Lots 1, 2, 3, and 4, EXCEPTING the northerly 14 feet across said Lots occupied as a side track of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, all in Block 1, Lumber Yard Addition to the Village of Sherburn, Martin County, Minnesota.

[Tax Parcel No. 38.400.0010]

Tract B:

The North Half of Lots 5 and 6 in Block 1 of Lumber Yard Addition to the Village (now City) of Sherburn, Martin County, Minnesota as per map or plat thereof on file and of record in the office of the Martin County Recorder in and for Martin County, Minnesota.

[Tax Parcel No. 38.400.0025]

Tract C:

A tract of land described as follows, to-wit: Beginning at the NW corner of Lot 21 in Block 4 of the South Side Addition of Sherburn; thence West 160 feet; thence South parallel with the West line of Lots 19, 20, and 21 of said Block 4, 150 feet; thence East 160 feet to the West line of said Block 4; thence North along the West line of said Lots 19, 20 and 21 to the place of beginning. Said tract or parcel of land being a part of the SW $\frac{1}{4}$ Section 7, Township 102 North, Range 32 West of the Fifth Principal Meridian, and within the Corporate Limits of the Village of Sherburn. It May also be described as Auditor's Plat No. 12 in the Village of Sherburn.

[Tax Parcel No. 38.100.0190]

Tract D:

The following described tract or parcel of land described as follows, to-wit: Beginning at the NW corner of Lot 21 in Block 4 of South Side Addition to the Village of Sherburn; thence West 160 feet parallel with the North line of said Lot 21; thence North 71.5 feet parallel with the West line of said Lot 21; thence East 160 feet parallel to the North line of said Lot 21; thence South 71.5 feet to the place of beginning; being the easterly 160 feet of what is known as Auditor's Plat Lot No. 31; said tract of land being a part of the SW $\frac{1}{4}$ of Section 7, Township 102 North, Range 32 West of the Fifth Principal Meridian, and within the corporate limits of the Village of Sherburn, Martin County, Minnesota.

[Tax Parcel No. 38.100.0500]

Tract E (Sherburn Feed Mill):

The East 90 feet of Lots Twenty (20) and Twenty-one (21) in Block Four (4) in the South Side Addition to the Village of Sherburn, according to the map or plat thereof on file and of record in the Office of County Recorder, in and for Martin County, Minnesota.

[Tax Parcel No. 38.650.0940]

Tract F:

A tract of land in the Southwest Quarter, Section 7, Township 102 North, Range 32 West, Martin County, Minnesota, including part of Lot 5, and all of Lot 30, Auditor's Plat to the Village of Sherburn, Minnesota, according to the recorded plat thereof on file and of record in the Office of the County Recorder in and for Martin County, Minnesota, said tract being more particularly described as follows: Beginning at the southeast corner of said Lot 30; thence North 01 degree 31 minutes 42 seconds West along the East line of said Lot 30, a distance of 707.16 feet; thence North 11 degrees 37 minutes 26 seconds West along said East line of Lot 30, a distance of 372.62 feet to the northeast corner of said Lot 30; thence South 78 degrees 16 minutes 13 seconds West along the North line of said Lot 30, a distance of 66.00 feet to the East line of said Lot 5; thence North 11 degrees 37 minutes 26 seconds West along said East line of Lot 5, a distance of 70.22 feet to a point 50.00 feet South of the center line of the side tract of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence South 83 degrees 57 minutes 27 seconds West, a distance of 300.46 feet to the southerly right-of-way line at a point 50.00 feet South of the intersection of the center lines of the main track and side track of said railroad; thence South 78 degrees 16 minutes 13 seconds West along said southerly right-of-way line, a distance of 35.00 feet; thence South 11 degrees 37 minutes 26 seconds East, a distance of 466.81 feet; thence North 78 degrees 16 minutes 13 seconds East, a distance of 334.05 feet to the West line of said Lot 30; thence South 01 degree 31 minutes 42 seconds East along said West line, a distance of 699.43 feet to the southwest corner of said Lot 30; thence North 90 degrees 00 minutes 00 seconds East along the South line of said Lot 30, a distance of 66.00 feet to the point of beginning. [Tax Parcel No. 38.100.0120].

1.48. "Trimont Elevator" means that real property owned by Rabbe Farms and identified on Schedule A of the Debtor's schedules as "Property 2" legally described as:

Tract A:

That part of the Southeast Quarter of the Southwest Quarter of Section 32, Township 104 North, Range 32 West of the Fifth Principal Meridian, bounded and described as follows: Commencing at the Southwest corner of Lot 11 of Warehouse Lots, as shown on the recorded plat of "Triumph", now a part of the Village of Trimont; thence northwesterly along the southwesterly line of said Warehouse Lots a distance of 320 feet; thence northeasterly at right angles to the last described course a distance of 140 feet to the point of beginning of the tract of land herein described; thence northwesterly parallel with and distant 200 feet northeasterly, measured at right angles, from the center line of the main track of the Minnesota and Iowa Railway Company (now the Chicago and North Western Transportation Company), as said main track center line was originally located and established, a distance of 950 feet, more or less, to a point on the North line of the Southeast Quarter of the Southwest Quarter of said Section 32, thence westerly along said North line a distance of 160 feet, more

or less, to a point distant 50 feet northeasterly, measured at right angles, from the center line of the main track of the Chicago and North Western Transportation Company, as said main track is now located; thence southeasterly parallel with said last described main track center line a distance of 360 feet, more or less, to a point distant 9 feet northeasterly, measured radially, from the center line of Chicago and North Western Transportation Company spur track I.C.C. No. 38, as said spur track is now located; thence southeasterly parallel with said spur track center line a distance of 630 feet, more or less, to a point on a line drawn at right angles to the southwesterly line of said Warehouse Lots through the point of beginning; thence northeasterly along said last described right angle line a distance of 140 feet, more or less, to the point of beginning.

Excepting therefrom the following:

A tract of land in the Southeast Quarter of the Southwest Quarter of Section 32, Township 104 North, Range 32 West, in Martin County, Minnesota described as follows: Commencing at the South Quarter Corner of Section 32, Township 104 North, Range 32 West, Martin County, Minnesota; thence North 90 degrees 00 minutes 00 seconds East, (assumed bearing) along the South line of the Southeast Quarter of said Section 32, a distance of 200.23 feet to the southerly extension of the northeast line Outlot H of the Plat of Outlots A to H of the Town of Triumph (now Trimont) according to the recorded plat thereof on file and of record in the office of the County Recorder; thence North 14 degrees 34 minutes 37 seconds West, along said southerly extension and the northeast line of said Outlot H, a distance of 718.96 feet; thence North 90 degrees 00 minutes 00 seconds West, a distance of 111.79 feet to the southwest line of said Outlot H and the point of beginning; thence continuing North 90 degrees 00 minutes 00 seconds West, a distance of 48.52 feet to an iron pipe survey marker, thence North 14 degrees 32 minutes 46 seconds West, a distance of 231.30 feet to an iron pipe survey marker; thence South 90 degrees 00 minutes 00 seconds East, a distance of 52.85 feet to the southwest line of said Outlot H, thence South 13 degrees 30 minutes 17 seconds East along said southwest line, a distance of 230.25 feet to the point of beginning.
[Tax Parcel No. 39.810.0160]

Tract B:

That part of the depot grounds of the Chicago and North Western Railway Company in the South Half of Section 32, Township 104 North, Range 32 West of the Fifth Principal Meridian, at "Triumph", now the Village of Trimont, in Martin County, Minnesota, according to the recorded plat thereof, bounded and described as follows: Beginning at the Southwest corner of Lot 11 of said Railway Company's Warehouse Lots, also being a point on the North line of Maple Street; thence Northwesterly along the Westerly line of said Warehouse lots, a distance of 320 feet; thence Northeasterly along a line at right angles to the last described course, a distance of 140 feet to the Easterly line of said Railway Company's depot grounds; thence Southeasterly along said Easterly line of the depot grounds, a distance of 355 feet, more or less, to a point on the North line of said Maple Street; thence Westerly along said North line of Maple Street to the point of beginning.

Tract C:

The South 360 feet of Outlot H of the Plat of Outlots A to H Inclusive, in the Town of Triumph (now Trimont) according to the map or plat thereof on file and of record in the office of the Register of Deeds in and for Martin County, State of Minnesota.
[Tract B and C together comprise Tax Parcel No. 39.810.0230]

Tract D:

A tract of land in the Southwest Quarter of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter of Section 32, Township 104 North, Range 32 West, in Martin County, Minnesota described as follows: Commencing at the South Quarter Corner of Section 32, Township 104 North, Range 32 West, Martin County, Minnesota; thence North 90 degrees 00 minutes 00 seconds East (assumed bearing) along the South line of the Southeast Quarter of said Section 32, a distance of 200.32 feet to the southerly extension of the northeast line of Outlot H of the Plat of Outlots A to H of the Town of Triumph (now Trimont) according to the recorded plat thereof on file and of record in the office of the County Recorder; thence North 14 degrees 34 minutes 37 seconds West, along said southerly extension and the northeast line of said Outlot H, a distance of 413.30 feet to the north line of the south 360.00 feet of said Outlot H and the point of beginning; thence continuing North 14 degrees 34 minutes 37 seconds West, along said northeast line, a distance of 305.66 feet; thence North 90 degrees 00 minutes 00 seconds West, a distance of 111.79 feet to the southwest line of said Outlot H; thence South 13 degrees 30 minutes 17 seconds East along said southwest line, a distance of 304.23 feet to the north line of the south 360.00 feet of said Outlot H; thence North 90 degrees 00 minutes 00 seconds East along said north line, a distance of 117.67 feet to the point of beginning.
[Tax Parcel No. 39.810.0225]

Tract E:

That part of the Southwest Quarter of the Southeast Quarter of Section 32, Township 104 North, Range 32 West, Martin County, Minnesota, described as follows: Commencing at the South Quarter corner of said Section 32; thence on an assumed bearing of North 90 degrees 00 minutes East, along the south line of said section, a distance of 278.63 feet; thence North 0 degrees 00 minutes East a distance of 50.00 feet to an iron monument located on the north right of way line of County State Aid Highway No. 38, said iron monument being the point of beginning of the tract to be described; thence continuing North 0 degrees 00 minutes East a distance of 100.00 feet to an iron monument; thence South 90 degrees 00 minutes West a distance of 100.82 feet to an iron monument; thence North 14 degrees 32 minutes 46 seconds West a distance of 519.94 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 150.00 feet to an iron monument; thence South 14 degrees 32 minutes 46 seconds East a distance of 200.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 150.00 feet to an iron monument; thence South 0 degrees 00 minutes West a distance of 409.68 feet to the north right of way line of said County State Aid Highway No. 38; thence South 90 degrees 00 minutes West, along said right of way line, a distance of 118.83 feet to the point of beginning.

[Tax Parcel No. 08.032.1000]

Tract F:

That part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4) of Section Thirty-two (32), Township One Hundred Four (104) North, Range Thirty-two (32) West, Martin County, Minnesota, described as follows: Commencing at the South Quarter corner of said Section Thirty-two (32); thence on an assumed bearing of North 90 degrees 00 minutes East, along the South line of said Section, a distance of 278.63 feet; thence North 0 degrees 00 minutes East a distance of 50.00 feet to an iron monument located on the North right of way line of County State Aid Highway No. 38; thence continuing North 0 degrees 00 minutes East a distance of 100.00 feet to an iron monument; thence South 90 degrees 00 minutes West a distance of 100.82 feet to an iron monument; thence North 14 degrees 32 minutes 46 seconds West a distance of 519.94 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 150.00 feet to an iron monument, said last described iron monument being the point of beginning of the tract to be described; thence South 14 degrees 32 minutes 46 seconds East a distance of 200.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 150.00 feet to an iron monument; thence North 0 degrees 00 minutes East a distance of 193.59 feet to an iron monument; thence South 90 degrees 00 minutes West a distance of 200.23 feet to the point of beginning.

[Tax Parcel No. 08.032.0825]

Tract G:

A 16.50 foot wide Access Easement, as contained in the Limited Warranty Deed dated December 13, 2007, recorded January 4, 2008, as Document No. 2008R-392567.

EXHIBIT B

Historical Financial Statements

[See attached]

EXHIBIT C

Operating Results During the Chapter 11 Case

[See attached]

EXHIBIT D

Projected Cash Flow

NOT APPLICABLE IN LIQUIDATION

EXHIBIT E

Liquidation Analysis

[See attached]