

**As Adopted February 13, 2007**

**EXHIBIT A**

**LAKE AREA CORN PROCESSORS, LLC**

**TRADING SERVICE OPERATIONS MANUAL**

**This Trading Service Operations Manual may be revised from time to time in the discretion of LACP and in coordination with VIA. The most current version will always be available on LACP's website, upon request to LACP or by link on VIA's website. Buyers and Sellers should confirm that they are referring to the most current version of this Operating Manual when using the trading service.**

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**LAKE AREA CORN PROCESSORS, LLC**  
**TRADING SERVICE SUMMARY**

*The following is a summary of the basic provisions of a trading service for members and non-members of LAKE AREA CORN PROCESSORS, LLC (LACP) to buy and sell units of LACP. This is not a complete description of all the material aspects of the trading service. You should read the entire Operating Manual carefully before buying or selling LACP units on the Trading Service.*

- LACP has engaged Variable Investment Advisors, Inc. (VIA) to operate a Trading Service for LACP units.
- To trade LACP units class A (Units) you must be registered on the trading service.
- Registration and trading may be done by contacting VIA by telephone at (605) 361-8230 or toll-free at (800) 859-3018, or on VIA's website at [www.AgStockTrade.com](http://www.AgStockTrade.com).
- To buy or sell units, you must indicate the price and number of units you desire to buy or sell. All offers must be in increments of 500 units. All posted offers to sell and offers to buy are non-firm and non-binding until a match has been made or a sale is acknowledged in writing.
- The offer to sell or asking period runs continuously throughout the year,
- The offer to buy or bidding period runs continuously throughout the year.
- An offer to sell will be matched with an offer to buy; provided, however, the offer to sell cannot be matched unless it has been posted for at least 15 days. Once an offer to sell is matched with an offer to buy, a Sale Confirmation and Contract will be sent to the Buyer and Seller.
- Buyer must sign and return to the Transfer Agent within 15 days of the match the Sale Confirmation and Contract and the full purchase price.
- Seller must sign and return to the Transfer Agent within 15 days of the match the Sale Confirmation and Contract, or the sale will be voided.
- Following the later of the approval of the sale by the Board of Managers, or a date that is at least 45 days subsequent to the date that Seller posted the units for sale, the Escrow Agent will disburse to Seller the net sale proceeds, less retention of a 2% escrow and commission fee (minimum \$100.00 and a 750.00 maximum).
- There is a 5000 share minimum ownership requirement.
- Offers to sell that have not been matched within 120 days after being posted will be removed from the Trading Service. A Seller whose offer to sell has received no matching bids within this 120 day period will be subject to a 60 day waiting period before any new offer to sell is posted to the Trading Service.
- Offers to buy will remain on the Trading Service until matched or renewed by Buyer.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**LAKE AREA CORN PROCESSORS, LLC**  
**TRADING SERVICE OPERATIONS MANUAL**

**Purpose and Overview.**

LAKE AREA CORN PROCESSORS, LLC (LACP) has engaged Variable Investment Advisors, Inc. (VIA) to provide a trading service for members and non-members to buy and sell LACP units. The trading service is part of LACP's Units Transfer System. The Trading Service will be maintained and operated as part of Variable Investment Advisors, Inc.'s Alternative Trading System (Trading Service), which is registered with the United States Securities & Exchange Commission (SEC). VIA is a registered broker-dealer with the SEC, National Association of Securities Dealers and various states.

LACP must limit trading to preserve LACP's favorable pass-through tax status. As a result, members will only be allowed to sell their units through the Trading Service, except for private transfers. Transfers that are not made through the Trading Service will be null and void, unless they qualify as a private transfer and are approved by the Board of Managers. Members should review the provisions of the Units Transfer System on LACP's website or by link from VIA's website [www.AgStockTrade.com](http://www.AgStockTrade.com) for further guidance.

To use the Trading Service, interested Buyers and Sellers must first register on the Trading Service. They may make an offer to buy or sell a certain number of units at a price they choose by posting such information on the Trading Service. Sellers may post offers to sell their units at an "ask" price at any time of the year. Buyers may post offers to buy units at a "bid" price at any time of the year. Buyers' and Sellers' bid and ask prices are non binding when posted and will be matched according to the rules set forth below. The purchase price will be the bid price of the matching offer to buy. The exchange of the purchase price and Unit Ledger will be handled through an independent Escrow Agent and a designated Transfer Agent. There is no charge to Buyers or Sellers to register or post units on the Trading Service; however, Sellers will be charged an escrow and commission fee for completed transactions. Interested Buyers and Sellers should carefully read and follow the instructions provided below.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**General Rules and Procedures.**

**1. Access to the Trading Service.**

**a. Registering and Trading.** Interested Buyers and Sellers may contact VIA for purposes of registering, buying and selling units as follows:

- Telephone (605) 361-8230 or 1-800-859-3018
- Personal visit to VIA's Sioux Falls' Office located at 4305 South Louise Avenue, Suite 101A, Sioux Falls, South Dakota 57106
- Direct interface with VIA's website ([www.AgStockTrade.com](http://www.AgStockTrade.com))
- Direct interface with LACP's website ([www.dakotaethanol.com/](http://www.dakotaethanol.com/)) which provides a direct link to VIA's website.

**b. Questions about the Trading Service.** Questions regarding registration, buying and selling on the trading service and the Escrow Agent should be directed to VIA as follows:

Telephone: (605) 361-8230  
Fax: (605) 362-5819  
E-mail: [gwilson310@aol.com](mailto:gwilson310@aol.com)  
Main contact: Greg Wilson

**c. Questions about LACP and Member Information.** Questions regarding LACP, the Operating Agreement, units certificates, member ID numbers and passwords should be directed to LACP as follows:

Telephone: (888) 539-2676  
Fax: (605) 483-2676  
E-mail [amay@daktoethanol.com](mailto:amay@daktoethanol.com)  
Main Contact: Alan May

**d. Escrow Information.** Questions regarding escrow arrangements, payments, electronic transfers and related matters should be directed to the Escrow Agent as follows:

First State Bank  
PO Box 129  
Wilmot, South Dakota 57279  
Telephone: (800) 555-7556  
Fax: (605) 938-4571  
E-mail [Toddwsb@tnics.com](mailto:Toddwsb@tnics.com)  
Main Contact: Todd Berndt

**2. Registering on the Trading Service.**

**a. Generally.** All Buyers and Sellers must be registered on the Trading Service to review posted bid and ask prices or to make offers to buy or sell units. Buyers and Sellers must follow the instructions on the Trading Service to register. There is no charge to register on the Trading Service.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**b. Registration.** Interested Buyers and Sellers must register before they can post an offer to buy or sell units on the Trading Service, but they may review the current listings of offers to buy and sell on VIA's website without registration. Buyers and Sellers can register by contacting VIA in person, by telephone or via the Trading Service website, as listed above.

- Required Information. Buyers and Sellers will be required to select a username and password and provide the name of the Buyer or Seller, contact information (address, telephone number and email) and certain banking information (name of bank, banker, etc).
- Updating Registration Information. Buyers and Sellers may update their registration information or change their passwords by following the instructions provided on the Trading Service website or by contacting VIA in person or by telephone.

**3. Posting Offers.**

**a. General Rules.** Registered users may post offers to buy or sell by contacting VIA in person, by telephone or via the VIA website, as listed above. If logging into the website, provide the information requested when prompted. If posting by telephone or in person, provide the information requested to the VIA representative and he or she will enter the information into the Trading Service. There is no charge to post offers to buy or sell.

- Bid/Ask Prices. Buyers are required to post a bid price, and Sellers are required to post an ask price. The "bid" price is the price the interested Buyer is willing to pay to purchase units. The "ask" price is the lowest price at which the interested Seller is willing to sell Seller's units. If there is a match between an offer to buy and an offer to sell, the purchase price will be the bid price of the offer to buy.
- Non-Firm Offers. All posted offers to sell and offers to buy are *non firm and non binding*, meaning that units posted for sale by Sellers are only matched and settled with Buyers' posted bids at the time the parties sign the Sale Confirmation and Contract described below.
- Waiting Period. An offer to sell will not be matched with an offer to buy, unless the offer to sell has been posted for at least 15 days following the date such offer to sell was posted. Any modification of an offer to sell activates an additional 15 day waiting period.
- Multiple Offers. Buyers and Sellers may make multiple offers to buy or sell units at different prices. The Buyer or Seller cannot post multiple offers and pick the best one that matches, nor can any Seller post more units for sale than he or she owns.
- Increments. All posted offers to sell and all sales of units must be completed in increments of 500 units.
- No Brokers/Dealers. Buyers and Sellers may not use a broker-dealer or other representative to post offers or make trades on their behalf through the Trading Service. Buyers and Sellers may only post offers and make trades for their own accounts.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**b. Posting to Sell Units.** Interested Sellers should contact VIA by telephone or in person and follow the instructions given by the VIA representative or login to the VIA website, register and proceed as follows:

- Sell Now. After logging in, select “Sell Now” and provide the information requested. Sellers must provide the following information to sell units:
  - Select “Lake Area Corn Processors, LLC” as the company's units to sell.
  - State Number of Units for Sale in 500 share increments. Note that the Trading Service will split the units listed for sale if a Buyer match occurs for less than all of Seller's units posted for sale.
  - State the Ask price Per Unit.
  - Confirm that the units are owned by Seller, that they have not been previously transferred or sold, and that there are no liens or claims thereon, except where the lien holder has given its written consent to transfer. (If the Seller has pledged his or her units to secure a loan or other obligation, Seller will need the written consent of the lender to sell the units.)
  - Confirm that Seller has read and understands and agrees to the rules of the Trading Service as set forth in this Operations Manual.
  - Confirm that Seller will surrender the units, if Seller’s units are sold through the Trading Service.
  - Confirm the accuracy of the information posted.
- Verification. When a Seller posts units for sale, VIA will notify LACP’s Transfer Agent of the posting for the purpose of verifying ownership of the units, and determining that all units are qualified to be sold. The LACP Transfer Agent will in turn notify VIA of Seller’s eligibility to sell and transfer the listed units and will verify whether any waiting period applies. A 60 day waiting period applies from date of de-listing, if Seller previously posted units for sale that did not sell within the 120 day posting period.
- 500 Unit Minimum. All LACP members are required to hold a minimum of at least 5,000 units.

**c. Posting to Buy Units.** An interested Buyer should contact VIA by telephone or in person and follow the instructions given by the VIA representative, or login under the username and password that Buyer has established, and proceed as follows:

- Buy Now. After logging in, select “Buy Now” and provide the information requested. Buyers must provide the following information to purchase units:
  - Select “LAKE AREA CORN PROCESSORS, LLC” as the company whose units are to be bought.
  - State Number of Units Bidding to Buy.
  - State the Price Per Share being bid.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

- Confirm that Buyer has read and understands and agrees to the rules of the Trading Service as set forth in this Operating Manual.
- Confirm that Buyer will pay the purchase price, if Buyer is successful in purchasing units.

**d. Publication of Posted Information.** Upon confirmation of posted information, VIA will publish on its website and maintain in printed form the information posted by Buyers and Seller regarding the number of units desired to be bought or sold and the bid or ask price per unit. All Buyers' and Sellers' information will be published anonymously.

**e. Notices.** Notices will generally be provided by e-mail only. If no e-mail is provided, notices will be sent by U.S. mail to the address provided upon registration.

**4. Matching/Closing the Sale.**

**a. Bidding period.** Sellers may post units for sale at any time of the day, week or year, though a 15 day waiting period will apply until matching can effectively occur. Buyers may post a bid to buy units for sale at any time during the day, week or year, and no waiting period will apply before matching can effectively occur.

**b. Matching.** At 5:00 pm Central Time of any day, Sellers' ask prices and Buyers' bid prices will be matched under the following matching rules, conditions and guidelines:

- Matching occurs when an offer to buy has been posted at a bid price that is equal to or exceeds a Seller's posted ask price.
- Price will be given priority over time at which an offer to buy or sell is posted, unless other conditions stated herein apply.
- The lowest offer to sell will be matched with the highest bid price.
- If multiple bid prices exceed an ask price, the highest bid price has priority over other bids.
- If multiple bid prices are identical, the bid posted first in time has priority over other bids.
- If multiple ask prices are posted at identical ask prices, the ask price posted first in time has priority.

**c. Sale Confirmation and Contract.** As soon as practicable after the a match has been made, VIA will notify Sellers and Buyers with matched offers, by email or hard copy as necessary, of the match and send them a Sale Confirmation and Contract. The Sale Confirmation and Contract will include final matching information indicating the number of units being purchased or sold and the price per unit.

**d. Escrow Fee.** Seller must pay an escrow and commission fee equal to 2% of the total purchase price, with a minimum fee of \$100.00 per transaction. The Escrow Agent will automatically deduct this fee from the purchase price proceeds to be distributed to Seller upon completion of the sale.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**e. Execution, Delivery and Payment.** Within fifteen (15) days after the match has been made, Seller and Buyer must notify VIA that either Seller or Buyer will not accept the match made, or both must sign and return the following items:

- Buyer – Payment and Documents. Buyer must submit to the Escrow Agent the following:
  - The Sale Confirmation and Contract signed by Buyer.
  - 100% of the purchase price by check or wire transfer.
  - LACP's Operating Agreement signature page, if Buyer is a new member of LACP.
- Seller – Documents. Seller must submit to the Transfer Agent the following:
  - The Sale Confirmation and Contract signed by Seller.
  - A written confirmation from Seller's lender consenting to the transfer of the units, if the units have been pledged as collateral security for a loan or other obligation.

**f. Escrow/Completion of Sale.** The Escrow Agent will cash Buyer's check, or confirm receipt of funds transferred electronically, and hold all funds and other documents until all conditions for transfer have been fulfilled. Once the transfer conditions have been fulfilled, the Escrow Agent will deliver (i) by check to Seller at Seller's registered address the proceeds from the sale, less the Escrow Agent's fee, (ii) Transfer Agent will issue to the Buyer a notice of purchased units reflected on LACP's Unit Ledger as being held by Buyer and issue to the Seller a notice of units, if any, reflected on LACP's Unit Ledger held by Seller to Seller a notice for any units retained by Seller. Seller may have the net sale proceeds electronically deposited directly into a designated account for an additional fee by contacting the Escrow Agent.

**g. Trade Effective Date.** All sales and transfers are effective upon the first day of the quarter following a match; provided, however, LACP's Board of Managers must first consent to the sale and 45 days must have expired from the time the offer to sell was posted to the Trading Service. If an offer to sell is posted within the last 45 days of a quarter and a match occurs prior to the end of that same quarter, the sale and transfer will not become effective until the first day of the quarter following the next quarter.

**i. Unmatched Offers.** If a Seller's ask price is not matched with a Buyer's bid price within 120 days of posting of Seller's ask price, Seller's posting information will be removed from the Trading Service on the 120<sup>th</sup> day of posting and, after removal, Seller will not be permitted to repost an ask price for 60 days. Unmatched offers to sell at the end of the 120 day period will not automatically be listed again. To repost, Seller will need to take those steps required by the Trading Service.

**j. Display of Offers.** Bid and ask information submitted by Buyers and Sellers will be publicly displayed on the Trading Service website and available in printed copy. Sellers' and Buyers' identities are always anonymous. Registered users may review a printed copy of the offers to sell and buy submitted by contacting VIA. Completed sale information may be included in LACP's website. Posted ask and bid information from previous periods will be available for inspection at LACP's administrative office.

**LAKE AREA CORN PROCESSORS, LLC**  
**Trading Service Operations Manual**

**k. Trading Suspension.** The Buy and Seller hereby acknowledge and agree that there may be certain circumstances where Lake Area Corn Processors, LLC, upon the advice of counsel or otherwise, determines that it is necessary or appropriate to suspend transfers and trading in its Units in order to comply with applicable corporate and securities laws. The buyer and seller agree that in the event any such suspension of the transfer of Units in Lake Area Corn Processors, LLC occurs prior to the completion of the transactions contemplated by this Agreement (including any suspension prior to approval of the transfer contemplated by this agreement by the Board of Directors of Lake Area Corn Processors, LLC) (an “Incomplete Transaction”), the Incomplete Transaction shall be null and void. Any proceeds or Units delivered with respect to any such Incomplete Transaction shall be returned to the party who delivered such items and the parties shall have no further liability or obligation to each other.