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Office hours 8:00 am to 5:00 pm
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Confidential LACP Member Information Only

Enclosed you will find a disbursement for \$0.06 cents per capital unit for members of record as of May 1, 2005. The total disbursement to all members is \$1,777,200.00. To date, \$24,436,500.00 has been disbursed to members of Lake Area Corn Processors, LLC. We thank you for your investment and the trust you have in our dedicated group of employees, management, The Board of Managers and The Broin Companies. We believe you will find your investment in Lake Area Corn Processors, LLC has performed very well to date.

Please see below the procedure to trade capital units in Lake Area Corn Processors, LLC. The effective date of all transactions (buy, sell, and transfers) for the next trimester will be January 1, 2006. If you have any questions, please contact Alan May, Membership Coordinator, or call Variable Investment Advisors, Inc at 1-800-859-3018.

Capital Units Trading for the current trimester will begin on September 1, 2005. The capital units of LACP are traded on an alternative trading system operated by Variable Investment Advisors, Inc. of Sioux Falls. You may submit offers on line at www.agstocktrade.com (or link from www.dakotaethanol.com) or call Variable Investment Advisors, Inc at 1-800-859-3018. Please see trading details and trading history below.

Offers to Sell may be submitted beginning September 1, 2005 at 12:01 am. The offer must contain the quantity and the minimum asking price for the LACP units. All offers must be public for 15 days before a match can occur, so the earliest a match may occur this trimester is September 15, 2005 at 5:00 pm. Offers to sell may be amended, however the 15 day waiting period resets. The last day to submit offers to sell this trimester is October 16, 2005. All matches, when eligible, occur at 5:00 PM daily.

Offers to buy may be submitted anytime, however the earliest date a match can occur is September 15, 2005. (Sellers must fulfill the 15 day window.) Offers to buy will be accepted until October 31, 2005 at 5:00 pm. CST. Existing members may purchase a minimum of 500 capital units (cu) or any quantity in multiples of 500. New members must initially purchase a minimum of 5,000 cu, as all members must own at least 5,000 capital units (cu).

Matching History may be found on line at www.agstocktrade.com (click on Lake Area Corn Processors, LLC). Last trimester 138,500 cu (less than .50% of outstanding units) traded at an average of \$1.7890 per unit. The range of trading was \$1.74 — \$1.90 per unit with an effective date of September 1, 2005. There were 7 new members in LACP. On September 1, 2005 there will be 979 members in LACP. The effective date of all trades this coming trimester (September—December) will be January 1, 2006. All offers to buy and sell are non-firm offers so nothing is binding until a contract has been signed.

The trimester base corn price for the period September 1—December 31, 2005 has been set at \$1.80. The 80% advance (not including freight allowance) will be \$1.44 per bushel.

Important Dates to Remember

- September 1, 2005 1st day to submit offers to buy and sell capital units this trimester
- September 15, 2005 1st day a match may occur (must fulfill the 15 day window)
- October 16, 2005 Last day to submit or amend offers to sell this trimester
- October 31, 2005 Last day to submit an offer to buy this trimester
- December 1, 2005 Last day to opt out of the average on committed bushels for Jan—Apr 2006 trimester