



Cultivating Income Opportunities

October 24, 2007

Heartland Members,

We are making final arrangements for this year's annual meeting which will be held on December 4th at All Occasions in Waldo, Ohio. We will send an official meeting notice in November but wanted to give you a head start on marking your calendars. Each year at our annual meeting Heartland members elect approximately one third of Heartland's Board. If any of you have interest in being a candidate for election to the Heartland board please submit your name to us for consideration by the Heartland nominating committee no later than November 4th.

We continue to look for good investment opportunities and would like to provide you an update on some of these possible investment opportunities.

Ohio Wind Energy, LLC. – As we mentioned in our letter to you in August OWE is a grass roots wind energy project in Northwest Ohio that plans to develop a wind energy farm. The project has completed the founder stage and eventually hopes to accept additional equity investments into OWE from Heartland members in Northwest Ohio and throughout the state. The project is now involved in gathering and validating wind information to justify proceeding with the building of the wind energy farm. Wind energy farms are large projects and require much expertise and capital. OWE is considering a joint partner that has wind energy experience as a co-developer and co-owner of the project. We are very interested in this project and continue to stay engaged with the founder group as the project moves forward.

AgraMarke Quality Grains Inc./LifeLine Foods - LifeLine Foods is a fully integrated *Identity Preserved Corn Processor* located in St. Joseph, Missouri. With a 750,000 square foot manufacturing facility placed on 38 acres, LifeLine Foods is able to provide a wide array of dry corn ingredients, masa flours, extruded products and many specialty products in both white and yellow corn. Lifeline has just completed a 40 million gallon ethanol production facility as part of its corn processing plant. LifeLine's parent company is AgraMarke Quality Grains, Inc who also serves as its supplier of raw grain. Heartland is assessing an opportunity for both Heartland members and Agdeavor Ethanol Investments LLC to purchase existing shares of the parent company AgraMarke. The project is currently in the hands of the Heartland Opportunity Evaluation Committee and Board of Directors for a final decision. (www.lifeline-foods.com)

Renewable Lubricants Inc. - We continue to work with RLI on a potential purchase of at least 51% of the company by Heartland investors. RLI is an ongoing business and has developed renewable lubricants for manufacturing and marketing their products to consumers. They already have developed products in several markets and own many patents. RLI has a great deal of intellectual property and needs to recapitalize the company and launch an aggressive manufacturing and marketing effort for their products. Heartland's interest in this project is as a majority owner that could select management to propel the company into a profitable and sustainable future. (www.renewablelube.com)

Agdeavor Investments, LLC (AI). - Heartland has completed the establishment of a wholly owned subsidiary of Heartland Agdeavor Association named Agdeavor Investments, LLC (AI). AI was created to serve as a Registered Investment Adviser (RIA) for Heartland Agdeavor Association members in the future. AI will facilitate Heartland being able to offer its members a liquid portfolio of investments through a licensed security firm. Currently we are in the process of obtaining licenses for AI and in negotiating with licensed security firms. We hope to provide more details on specifics of how the fund will operate at our annual meeting in December and hope to have everything in place by the end of 2007.

Portfolios or funds through AI will have unique features for Heartland members.

- They will be dedicated only to investments that further utilize agricultural commodities produced by farmers.

- Funds or portfolios will be liquid and monies can be added to or taken from them by members at preset times.
- AI as an investment adviser for Heartland members can buy down the transaction costs of buying and selling the investments within the portfolio.
- The funds or portfolio will be comprised of investments that Heartland has expertise in evaluating and that meet or exceed the investment criteria Heartland has set for opportunities shared with its membership.

Essential and Free, LLC – Is a hydroponics vegetable project that uses hydroponics as a production method to customize and specialize vegetable and herb production. The specialized and custom production is designed for sale to high dollar markets such as organic food stores and upscale restaurants. The project seeks to utilize hydroponic production technology as a means of addressing food safety and custom production issues unavailable to current commodity vegetable and herb production. Currently Heartland has sent this project back to its originators requesting a more complete and comprehensive marketing plan. The project to date has focused heavily on the technology of hydroponic vegetable production and Heartland’s assessment is the marketing side will be a greater influence on the profitability of the project than the technology. The re-evaluation of the marketing plan, when received, will determine if the project goes forward to committee for investment consideration.

Past Investment Projects

Past Heartland investment opportunities in United Agri Energy Group (UAEG), Agdeavor Ethanol Investments (AEI) and KAAPA Ethanol Ohio continue to do well. UAEG has produced positive returns for both the first and second quarters of this year with 3rd quarter results expected soon. KAAPA is having another good year and issued a mid year dividend to investors for the first time. Both of these ethanol opportunities have expanded and kept up with modernization of their plants while continuing to be profitable. They seem to be very well positioned for the future as new ethanol production comes on line at much higher construction costs.

The newest investment opportunity, AEI, will soon complete its first year of operations and has produced a small profit thus far. Much of AEI’s first year has been spent placing investments in ethanol activities so many of the investments on new ethanol plant construction are not yet in production and therefore do not have returns on AEI’s investment. AEI has made investments in three Poet ethanol plants being built in Ohio. The Poet Leipsic plant is due to start production yet late this year.

The Good View LLC project is now over 3 years old and the company continues to manage land holdings in Brazil. Their focus in 2007 has been on reducing expenses and searching for income producing activities to offset company expenses while the Brazil land holdings appreciate in value. To date farming the land holdings has not been economically feasible due to high input costs and low market prices for commodities. Good View continues to monitor the economics of putting portions of their land holdings in production either by renting land for others to farm, or by Good View farming, or by contracting their land to be farmed on their behalf. Good View also searches for other opportunities in addition to farming their land that have the ability to produce income to offset expenses of their land ownership. Some of the possibilities explored thus far include fish farming and cattle production.

Please contact us at any time. **Tel:** 614-818-4466 **Email:** lthompsonheart@sbcglobal.net

Thank You,



Larry E. Thompson
 Executive Director
 Heartland Agdeavor Assn.