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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

MEMORANDUM OF OPTION AGREEMENT
Recorder's Cover Sheet

Preparer Information:
Melissa Baer, Lindquist & Vennum, P.L.L.P., 4200 IDS Center, 80 South Eighth Street, Minneapolis, MN 55402

Taxpayer Information:
Dyersville Industries, Inc.
1100 16th Avenue Court
Dyersville, IA 52040

Return Address:
CHG. Ø
Moss & Casey
PO Box 274
Dyersville, IA 52040

Grantors:
Dyersville Industries, Inc.

Grantees:
US BioEnergy Corporation

Legal Description:
See Page 4

Document or instrument number if applicable:

MEMORANDUM OF OPTION AGREEMENT

This Memorandum of Option Agreement (the "Memorandum") shall serve as notice that Dyersville Industries, Inc., an Iowa corporation ("Seller") and US BioEnergy Corporation, a South Dakota corporation ("Buyer"), entered into a certain Option to Purchase Real Estate agreement dated June 30, 2006 (the "Option Agreement"), pursuant to which Seller has provided Buyer with an option to purchase, on the terms and conditions set forth therein, certain real property located in Delaware County, Iowa legally described on Exhibit A attached hereto and incorporated herein by reference (the "Property").

The purpose of this Memorandum is to give notice to parties hereafter claiming any right, title or interest in and to the Property of the right, claim and interest of Buyer under said Option Agreement. This Memorandum may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Memorandum has been executed by the respective duly authorized representatives of Buyer and Seller effective as of 6/30, 2006.

BUYER:

US BioEnergy Corporation, a South Dakota corporation

By _____

Name: Steven P. Myers

Its: Director

STATE OF SOUTH DAKOTA)
) ss.
COUNTY OF Brookings)

This instrument was acknowledged before me on June 30, 2006, by Steven P. Myers, the Director of US BioEnergy Corporation, a South Dakota corporation, on behalf of said corporation.

Notarial Stamp or Seal (or other title or rank)

SOUTH DAKOTA NOTARY PUBLIC JILL WILLS

Doc# 2158120\1

_____
Signature of Notary Public or other official

SELLER:

Dyersville Industries, Inc., an Iowa corporation

By _____

Name: David J. Schroeder

Its: President

STATE OF IOWA)
) ss.
COUNTY OF DUBUQUE)

This instrument was acknowledged before me on June 29, 2006, by DAVID J SCHROEDER, the PRESIDENT of Dyersville Industries, Inc., an Iowa corporation, on behalf of said corporation.

MARC W. CASEY
Iowa Notarial Seal
Commission Number: 11508
My Commission Expires: 05/07/08

mk)

_____
Signature of Notary Public or other official

THIS INSTRUMENT WAS DRAFTED BY:

LINDQUIST & VENNUM P.L.L.P.
4200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 371-3211
File No. 512502.0001

EXHIBIT A

PARCEL I

That part of the South one-half of the Northwest quarter and of the North one-half of the Southwest quarter lying South of the railroad right of way, and the Southeast quarter of the Southwest quarter of Section Twenty Six (26), Township Eighty Nine (89) North, Range Three (3), West of 5th P.M., Delaware County, Iowa; and

PARCEL II S½ SE¼ AND THAT PART OF NW¼ SE¼ SOUTH & CENTER LINE OF VINE ROAD

~~SE ¼ of~~ Section 26, Township 89 North, Range 3 West of the 5th P.M., Delaware County, Iowa; and

West

PARCEL III

SW¼ of the SW¼ of Section 26, Township 89 North, Range 3 West of the 5th P.M., Delaware County, Iowa, more particularly described as that portion of the South 250 feet of said SW¼ of the SW¼.