



as of August 2020

Executive Version – CBR/HBR Project Opportunity

Important Notice

This document is provided for informational purposes only and is not an offer of securities. Such offers can only be made through compliance with appropriate state and federal securities statutes.

PROJECT: Community Bio-Refineries (“CBR”) Joint Venture Project and/or Hemp-BioRefinery (“HBR”), a Division of ‘Missouri CBR Joint Venture, LLC’

OVERVIEW

Community Bio-Refineries, LLC (the parent company) has uniquely marshaled several key technologies, via vertical integration, to enable a cutting-edge method of processing a whole variety of feed stocks (corn, soy, rice, barley, etc.) and biomass (corn stover, rice straw, sweet cane sorghum) to produce high-value food components and food products and enable a host of value-added products from its ‘waste’ stream cleanup.

Food components from the CBR possess nutritive values never before seen; many qualify as ‘nutraceutical’ grade while others will even have medical applications. (“Nutraceuticals” are foods that behave like medicines.) The waste stream treatment allows for every molecule of the source material to be used. “Waste” sugars will be converted into a nutraceutical in its own right, **or**, to feed a special continuous flow fermenter allowing the production of several ‘next generation’ biofuels. Thereafter, the waste stream enables biodegradable plastics; fish feed (to support aquaculture and hydroponics); and green electricity – enough to power the entire plant with a significant excess available to go back onto the grid. Finally, hyper-pure water to be recycled back to the beginning of the process. No heat; no chemicals involved throughout. No pollution. Products are efficiently produced at low cost and high quality.

This unique process virtually eliminates the cost of the feed stocks used - an aspect of traditional biofuels production which sees the feed stock as their biggest production expense. The CBR process has minimized that concern through our unique application of proprietary technology.

The CBR process is truly a paradigm shift in not only food production and biofuels, but enables allied byproducts to provide an even bigger boost to the bottom line. **See** Production Flow Chart.

HBR Background

Hemp-BioRefinery was established as a division of CBR’s first Joint Venture entity to enable the application of the CBR process using exclusively hemp/cannabis as its source material. The initial focus was to process cannabis as a biomass only; however, identification of high-quality protein within the plant’s seeds as well as the unique qualities of its oil expanded that focus to include food, nutraceutical, and cosmeceutical applications. Until regulatory issues relative to hemp/cannabis are normalized and/or standardized by the states allowing it, CBR felt it prudent to process hemp/cannabis material in separate and distinct plants in those states have legalized it.

Please note:

1. The HBR will use the CBR process for its approach to processing hemp/cannabis. Throughout this document, references to the CBR process will also include its use by the HBR division, as appropriate.
2. The first CBR Joint Venture entity, Missouri CBR Joint Venture, LLC, will be the sole commercial CBR to have the HBR as a division of its operations.

Why Bother with Hemp/Cannabis?

As a biomass crop, within 100 days of the cannabis seeds' planting, the cannabis plant takes care of unwanted weeds; it grows incredibly fast. Within three months after planting, the cannabis stalks shoot up to over 13 feet high; their leaves overshadow every competitor for a place in the sun in this short time. The cannabis plant produces a strong smell that keeps parasites away, so pesticides and herbicides are not needed. Due to the lack of chemicals needed for farming of cannabis, it is an outstanding anti-weed crop. Hemp leaves an optimally prepared field for following plants, as the roots grow it penetrates and loosens the soil. The hemp is an ideal interim crop; agricultural experiments show that cannabis can also purify soil exposed to heavy metal poisoning. Pollutants are absorbed and taken from the ground are deposited only in the leaves. The unwanted polluted leaves are processed in the HBR to produce environmentally friendly industrial green products.

Nutrition (Protein): Incorporating CBR applied technology will finally allow - for the first time - hemp's full nutritional potential. Many consider the hemp seed as a superfood and the perfect protein. Nutritionists have recognized hemp protein to be high on the list of "complete" proteins in plant-based foods. Hemp contains the essential amino acids necessary for the body and muscle strengthening.

Nutrition (Fatty Acids): The hemp seed also contains the good heart-healthy essential fatty acids; these acids are not made by the body on its own and must be acquired through diet. Nutritionists agree the body needs a certain amount of omega fatty acids to function at its best. Hemp does not contain cholesterol and has the ideal ratio of Omega-6 and Omega-3 fats (4:1).

Nutrition (Essential Trace Elements): Hemp hearts also contain iron, magnesium, and zinc, all of which help maintain a healthy heart. Hemp is a good source of fiber and contains both soluble and insoluble fiber hemp fiber makes it perfect for digestion, heart health, and the immune system.

Nutrition (Carbohydrates): Typically, fibrous foods are high in carbohydrates. One serving of hemp fiber provides 11 grams (~1/3 oz) of raw organic protein and 12 grams (~.4 oz) of fiber (48% DV).

Nutraceutical Value: Nutritionists and scientists have studied the scientific and nutraceutical properties of the high-quality protein within the plant's seeds and the unique qualities of its oil.

CBR/HBR Business Focus

Community Bio-Refineries, LLC and Hemp-BioRefinery seek the participation of visionary funding partners to assist us in building the first commercial manufacturing facility by helping us accumulate approximately \$100 million to bring the CBR to life commercially. With the exponential growth and additional CBR placements, we anticipate that, after the first CBR becomes commercially operational, we will never see the last one built.

Preliminary market estimates show significant demand for CBR food components in the school lunch programs (nationwide); in the health food industry; the snack food industry; the baking industry, and more. Further, the unique attributes of certain food components make them sought after in the nutraceutical sector. Some even have direct medical applications which will skew us in favor of substantial profits all by themselves. The CBR will even create brand new markets, particularly regarding certain protein isolates, to include hemp protein isolate. No other processing company has been able to create a purer *protein isolate* with no off odors, odd tastes, or peculiar coloring. These attributes alone will create a demand such that we may be challenged to keep up with – but it will be a good sort of problem.

A military department has indicated it will “take every drop you can produce” of our bio-jet fuel once the plant is fully operational.

Preliminary financials show the growth of first CBR to enable it to show a profit by the end of the second year and be at full capacity by the end of the third year. We have configured the application of revenues from the first CBR to significantly mitigate the risk to funders.

Funding for the first commercial plant will be applied in three specific phases. While raising the entire \$100 million is certainly desirable, we anticipate that we will need to supplement some of the requirement with debt financing, for which we have already made preliminary coordination. Preliminary financials and the specifics of fund Sources and Uses (i.e., budgets) are covered in detail in our Offering documentation.

Social, Economic, and Environmental Impact of CBRs

- **Downsizing/Decentralization**
- **Refining Capacity**
- **Biotechnology Clusters**
- **Petroleum Independence**
- **Economic Development:** Much more of revenues kept in local communities.
- **Environmentally Friendly:** Zero pollution
 - Water:** End of “waste stream” is hyper pure water which is recycled, never discharged.
 - Air:** Process is a closed system – no putrid or rancid odors emitted.
 - No heat or chemicals used in production** - it is a cold process
- **Jobs:** 600 direct jobs + at least as many indirect jobs per CBR.
- **Health:** Nutraceutical and even medical applications for food end-items.
- **Energy:** Creates ‘green’ energy from its own hydrogen recovered and re-purposed.

See: [CBR Executive Summary](#) or [CBR Business Plan](#) for details.

WHAT IS THE PROJECT?

1. Project Description: Construct and operate sustainable Community Bio-Refineries (CBRs) in local communities throughout the U.S. CBRs will vertically integrate the production of value-added foods, nutraceuticals and other food products with the production of advanced (Next Generation) biofuels – all in the same biorefinery. CBR products will be produced from local feedstocks that will be sold in local markets. CBRs will decentralize the production of foods, biofuels, bioplastics, aquaculture and green electrical power that will generate economic development in the agriculture sector and in participating local communities. CBRs will also eliminate the use of petroleum in the production and transportation of foods and biofuels. Our overall intent is to create networks of economically sustainable CBRs in local communities throughout the U.S. that will help reestablish America’s agricultural manufacturing base while helping our country meet its goal of energy independence from foreign oil.

To accomplish these objectives, our initial focus will be to first construct the food and nutraceutical phase of the CBR to produce higher quality corn and other protein isolates as value-added alternatives for the well-established soy and animal-based protein food additive markets. CBR protein isolates will not only possess superior functionality traits, they will also be more nutritional, tasteless and odorless, and will be less expensive to produce than similar lower quality soy protein isolate products already established in the marketplace. We will introduce the first commercially viable corn protein isolate (CPI) to the market which will be fat-free, tasteless, and odorless with food functionality traits equal or superior to existing protein products such as whey proteins.

2. Markets.

a. The Food Industry: there are numerous food companies which have expressed keen interest in the protein isolates and high-quality food grade oils generated by the CBR process. One company in particular has voiced a requirement for enough Corn Protein Isolate to involve the entire output of 3 CBRs and possibly up to 10. On a corporate-wide basis, CBR desires to replace the almost 300 million pounds of largely damaged or denatured milk protein (casein) currently imported annually into the U.S. which would require construction of 60-100 CBRs. Interest has also been expressed in CBR’s Corn Protein Isolates to supplement or replace whey protein isolates used in body-building formulas which could require construction of up to 90 CBRs to fulfill such orders. Further, high quality oils have attracted the attention of pharmaceutical companies which view these CBR-produced oils as a health product to be capsulated and sold. CBR has the latitude to direct all or portions of the waste stream into its special fermentation reactors to produce food-grade organic acids, such as acetic acid (vinegar) and propionic acid, used extensively in the banking industry as a preservative. (The Propionic acid currently in use by the food industry is a petro chemical derivative...)

b. Bio-Medical Applications: The CBR may, as required, isolate specific proteins to create food items which can be used to prevent or treat cachexia, the “wasting disease”, frequently experienced by patients undergoing treatment for AIDS/HIV, and chemotherapy and/or radiation therapy for cancer patients. The CBR can isolate, recover, and concentrate the *fulvic acid* present with soy beans. *Fulvic acid* has pharmaceutical

applications, which provide the CBR with yet another value-added product to the produce. There are several other nutraceutical/bio-medical and even pharmaceutical applications possible from CBR products.

c. **The Biofuels Industry:** Our business model calls for each CBR to provide its fuels produced to the local community (farmers, fleets, emergency vehicles, etc.) Surplus beyond that will be made available to the local population. The Department of Defense has expressed interest to discuss CBR technologies to provide biofuels and electricity to military installations across the country and globally. While it is uncertain of the outcome of such discussions, this interest serves to illustrate the level of attention the CBR is currently receiving. In addition to providing bio-butanol as a quality biofuel, there is a significant domestic market for butanol for use as a chemical in the production of rubber, paint, adhesives, and other products. The current source of the petro-based butanol (i.e., another *petro chemical*) is via petroleum refineries, which subject the end users of chemical butanol to the vagaries of refinery production priorities and the price manipulation within the oil industry.

d. **Other Markets:** Bioplastics produced by a fully-developed CBR will be made available as a commodity, as is the current mechanism in place. Aquaculture is made possible through recovery of the waste feed stock fibers, creating high quality fish feed, which enhances the growth of the fish. Hydroponics, in part made possible by the aquaculture, will provide fresh produce year-round for the local communities. Green Electricity, created from the CBR's hydrogen production, will be available to the general power grid up to 5MW (excess of the CBR's own internal power requirements); or can be directed to a specific local activity to provide for (or augment) its own power requirements. Hemp protein isolate, hemp oil, and soy oil are highly sought after for cosmetics formulary as cosmeceuticals – a cosmetic that has or is claimed to have medicinal or healing properties.

FUNDING REQUIREMENTS: Raise approximately \$100 Million in a combination of equity and debt financing. These amounts are estimates only and are broken down and prioritized in the following funding phases:

Phase I: \$5 million – Working/Operating Capital; Debt Service; legal fees; patent license fees; site-specific Pilot Plant placement (becomes nucleus of commercial plant and organic R&D/QC center).
Contributors to receive: LLC Units; return of contribution w/cumulative preferred annual simple interest rate and retention of LLC Units; risk mitigation via lien on land and buildings until principal and interest repaid.

Phase II: \$25 million – Expansion of Pilot Plant infrastructure to demonstration Plant for large sample production; final engineering
Contributors to receive: LLC Units; return of contribution w/cumulative preferred annual simple interest rate and retention of LLC Units; risk mitigation via lien on land and buildings until principal and interest repaid.

Phase III: \$70 Million – Construction and operation of a commercial CBR manufacturing facility.
Contributors to receive: LLC Units.

Note:

1. Phases I and II involve high to moderate risk; therefore, added incentives have been included as described;
2. Investors will indicate their preference whether to support the establishment of a traditional CBR or an HBR.

Balance of requirement: Company will secure additional equity and/or debt financing

3. **Total Project Requirement: ~\$100 million.**

a. **CBR Demonstration Phases:** All CBRs, regardless of their location, will require an initial \$15--17 million for application of the CBR technologies to site-specific requirements in the participating local community. These funds will be expended to test plot special feedstocks that will be used to produce larger volumes of samples in order to procure purchase orders for the CBR and complete the site-specific design and engineering of the projected commercial CBR, and facilitate the transfer of the CBR technologies to the local CBR. (Note: it may not be required to duplicate the Demonstration Phase at subsequent CBR locations except for special circumstances and situations to be determined at the time for that particular site.)

b. **Commercial CBR Project Phases:** There are two anticipated commercial project phases of the proposed local CBR, Phase I - the Food and Nutraceutical Phase (estimated to cost \$50 million) and will bring the highest valued economics to the CBR Project. In this phase the highest valued proteins, high oleic oils, resistant starch, and phytochemicals - worth tens if not hundreds of thousands of dollars per ton - will be produced, with organic aquaculture (fish) produced on the backside of this phase. Phase II - the Advanced Biofuels--Hydrogen/Green Electric Power/Bioplastics Phase (estimated to cost an additional \$35-50 million) which will be added to the backend of Phase I (the Food and Nutraceutical Phase). Here, the higher valued Food/Nutraceutical Phase will provide sustainability and support the economics of the subsequent lower-valued biomass--biofuels/green electric power phase. Both phases will support and add value to the overall sustainability of the local CBR for years to come because CBR Products will be produced and sold in the local community.

c. **Total CBR Project Cost:** The ultimate project cost will be determined by factors such as available feedstocks that are available, or can be grown, locally (corn, soy, rice, barley, camelina, teff, quinoa, sunflower, tomato, etc.); and, the types of biomass that are available for local processing such as sweet cane sorghum, corn stover, rice straw, cotton stalks, etc.). Hemp/cannabis availability is also considered, particularly *cannabis sativa*. The total CBR Project cost will also depend upon the final products that will be produced, local markets for such products, and other factors dependent upon local issues, e.g., land, water, building, grower availability, etc.

d. **Subsequent Commercial Phases:** **The addition of subsequent vertical and horizontal production processes are almost** unlimited and range from the production of finished branded food products, such as cereals, pastas, cookies, breads, essential oils, imitation cheeses, to organic biochemicals for many spin-off applications, including organic, safe household and industrial cleaning agents, to the production of additional organic aquaculture products ranging from shrimp, catfish, tilapia, salmon, for example, and year-round production of safe hydroponics vegetables.

e. **Debt Financing:** Beyond the equity investment requirement under the Commercial CBR Project Phase I: Food/Nutraceutical Phase, debt financing will be secured through the USDA Business and Industry Loan Guarantees (USDA B&I Loan Guarantee Program) up to \$25 million; Department of Energy and the Export-Import Bank also have their own loan guarantee programs which the CBR will likely qualify for. The USDA has been involved as a CBR technical collaborator for many years and is well-familiar with the CBR project and its capabilities. CBR Consultants have participated in several Cooperative Research and Development Agreements (CRADA) with the USDA as consultants over the years - two of which involved the development of the USDA novel protein recovery technology and another involving the USDA's new non-GMO "heart friendly" corn hybrid. CBR/HBR will also look to local, state, and regional governmental entities which may be willing to provide bond or other debt instruments in support of placement of one or more CBRs/HBRs in their areas.

(NOTE: We have met with several national banking institutions which have expressed interest in making such loans under the USDA B&I Loan Guarantee for a CBR Project. We anticipate that satisfaction of Commercialization Project Phase II: Biomass/Biofuels Phase requirements may include similar loan guarantees via the USDA's 'Section 9003 BioRefinery Assistance Loan Guarantee' program and the US Department of Energy.) Further, we have made initial coordination with a Washington, DC law firm which specializes (and has been highly successful in) securing funding for biofuels projects.

4. **Third Party Engineering and Technology Assessment:** An independent third party assessment of the CBR technologies has been completed which validates that the technical viability of the Food and Nutraceutical CBR technologies that they: 1) indeed work and are technically feasible; 2) produce the much higher valued products claimed; and 3) that they are scalable to commercial levels. Final engineering, however, in the form of a 'Schedule A' Preliminary Engineering Report is necessary in order to obtain a bid for the final design-and-build of a Commercial CBR. During this Final Engineering phase, purchase orders will also be procured, and all technology transfers will be completed necessary to design and build the commercial CBR Project. The 'Schedule A' Engineering Package is estimated to cost approximately \$3.5 million and can be accomplished in less than one year once the specified site is ready. Concurrently, we expect to obtain major purchase orders for the CBR's proteins, nutraceuticals, and cosmeceuticals. The Commercialization Project Phase II--Biomass/Biofuels CBR technologies were also assessed to work and produce the products claimed.

(Note: Though the engineers conducting the assessment were not well-versed in fermentation technologies which prevented them from a final “sign off” on that portion of the process, those technologies have since been well-proven, scaled up, and functioning commercially overseas. Further, the fermentation technologies have since been scaled to commercial level.)

(NOTE: CBR Consultants have had past working relationships with several leading process engineering firms who are well-familiar with our CBR technologies. A ‘Schedule A’ Engineering Report is a procedural requirement necessary to obtain a final design and build quote from a major design and build construction engineering firms for the initial CBR Project. This phase is also critical to obtaining applicable state and federal permitting for the proposed CBR Project. A copy of this third-party Independent Engineering and Technology Assessment Report will be made available when appropriate.)

5. **Letter of Engagement for Engineering:** CBR Consultants helped negotiate an executed formal Engagement Letter with one global bio engineering firm which enables CBR Consultants to bring the expertise of this global firm to complete the individual CBR engineering as well as the overall design and build requirements for not only our first CBR but CBRs globally. This particular firm will also contract to operate each CBR to meet commercial delivery schedules of the quality products to be produced by the CBR Project.

6. **Execution Documents: Letter of Intent, Joint Venture Agreement, PPM.**

a. **Letter of Intent (LOI)**, involves the parties entering into an initial Letter of Intent and/or Memorandum of Understanding which will specify the details of participation in the CBR Project. We will provide an initial draft of an LOI for consideration. This step is usually conducted in conjunction with the legal representatives of the parties involved and will include establishment of an initial escrow account in the amount of \$250,000 as earnest money (“Earnest Funds”) by the Joint Venture Partners* (JV Partners). These funds will allow CBR Consultants to begin dedicating the time and energy towards the specific CBR Project on behalf of the potential JV Partners. The LOI will also include the milestones to be accomplished for release of additional investment amounts to the CBR Project as required (see “Estimated Sources and Uses of Proceeds”).

*Applies to Joint Venture investment entities; not individual investors.

b. **CBR Joint Venture Agreement.** CBR Consultants will provide a full disclosure document (Private Placement Confidential Memorandum (“PPM”)) which will present all known facts and risks at the time of the investment(s), including the HIGH-RISK nature of the CBR Project, legal issues, and intellectual properties and status thereof. The PPM will also propose the structure and ownership of the proposed CBR Joint Venture, board memberships, investment phases of the CBR Project, duties of the parties, etc.

c. **The CBR Private Placement Confidential Memorandum // Full Disclosure Documents.** Incentives will be provided in the PPM as appropriate, to individuals, groups, or other communities via Letter of Intent, Term Sheet Agreements, and Joint Venture (JV) Agreements. The JV PPM base document will be written to enable it to be adjusted to specific CBR projects. Historically, we have endeavored to avoid involvement with most venture capital firms based on numerous negative experiences, onerous requirements imposed, to include surrendering ownership and/or control of the CBR Project and/or total dismemberment of the CBR Project to sell off its components. We have avoided such ‘opportunities’ and have elected to raise the funding through project financing only. We have several communities interested in our CBR Project. (NOTE: The PPM has been crafted to be compliant with the JOBS Act, enabling an Internet Offering, as deemed appropriate and practicable.)

7. **General Terms of a PPM or Disclosure Document.** In accordance with the terms of a PPM or disclosure document, JV Partners will be afforded ownership in the CBR Project. Specifically, a separate LLC will be set up for the CBR Project. Not less than 50% of the ownership will be assigned to the parent company (in keeping with USDA and partner university requirements); with the remainder assigned to investors.

NOTE: Should CBR fail to maintain such 50% minimum ownership and control, CBR will be re-designated from that of a technology *developer* to that of a *broker*. The result would create a requirement to remit 50% of all net revenues to the USDA and university partners.) The 50% minimum ownership will be vested in CBR Consultants and its designees in order to avoid any potential ambiguity with regard to USDA’s requirements which may be placed upon the CBR Consultants. We have prepared several financial models based upon USDA engineering and a typical ethanol plant model which show feedstocks, products, product costs, CBR capital costs, projected ramp-up of the CBR to commercialization, sales prices of products, corporate and Consultants overhead costs,

and labor burdens for proposed CBR Projects. These Excel spreadsheet models will be made available when appropriate as part of the due-diligence support. For example, a CBR processing standard corn and sweet cane sorghum is conservatively expected to generate \$30-40 million in annual net revenues at operating capacity of 90% with an annual average pay-back to investors of approximately 40% per annum on equity investment. There are other elements of the CBR which can potentially boost further revenues, depending upon other factors, such as adjunct feedstocks processed, products produced, prices received for products, and capabilities availability in the general area of the CBR siting.

8. **Exit Strategy for JV Partners.** There is currently no typical established “exit strategy” for Joint Venture Partners from the CBR Project. However, we have provided for two means by which Joint Venture Partners may divest themselves of their holdings:

a. **A "Preferred Status":** A "preferred status" will be negotiated with potential Joint Venture Partners (JV Partners) whereby they may receive a cumulative preferred interest payment per year on their equity investment, meaningful enough to enable a 100% return within 7 years, before any other dividends are paid out of profits to CBR Consultants or other investors. JV Partners will have the option to convert from such “preferred status” into an equity position within the CBR Project, or, continue to allow such interest to accumulate until profits become available from the Commercial CBR, (which is expected to occur by the end of year 3). The CBR manufacturing plant will remain privately held for the foreseeable future, though an initial public offering may be considered, if and when appropriate. We anticipate that the projected revenue streams being passed through to the Joint Venture Partners (as an LLC) will be very lucrative.

b. **Sale or Transfer of Equities or Holdings.** The JV Letter of Intent (“LOI”) requires that all interests held by the JV Investment Entity or JV Partners under the Joint Venture Agreement will restrict the sale or transfer of equity holdings for a period of three years following full commercialization of the specific JV CBR. Such equities may, thereafter, be tendered for sale with an exclusive right of first refusal granted to CBR Consultants to procure such equities, for a period of ninety (90) days after said tender to purchase such interests at its independently appraised value. We reserve the right to deny the sale or transfer of such equities to any party it deems inappropriate.

9. **Suggested Due Diligence Procedures.** Throughout our commercialization efforts, we developed an efficient due diligence process for potentially interested joint venture partners and investors. These steps have arisen principally through trial and error (know how) and from advice of securities counsel and the USDA. We have found that if such steps are followed in general, they can assist the potential JV Partner or investor or their representatives in conducting their due-diligence in a wholly satisfactory manner.

Step 1: Conference call after the prospective JV Partner or investor reviews the general introductory information previously provided, including this CBR Opportunity Summary (which also includes an Executive Overview, Summaries, etc.), an introductory conference call is recommended to discuss a general overview of the project and the CBR applied technologies with prospective JV Partners and investors;

Step 2: Non-Disclosure Agreements (NDAs) should then be entered into between the parties as well as Vetting Documents in order to document those exposed to the specifics of the CBR project. NOTE: The NDA is a compilation document, agreed to by development partners and may include the federal government and a number of participating universities. We will be charged with the protection of their Intellectual Property, as well as our own knowledge base, as well as protect future concepts, applications, and potential IP which may develop during the CBR Project.

Step 3: Provide Due Diligence Documents after the completion of NDAs digital copies of projected CBR financial models, spread-sheets, Gantt charts, business plans, independent engineering and technology assessment report, technology appraisals and valuations, and a model CBR Joint Venture agreement will be provided, as well as other documents which may be requested, as appropriate.

Step 4: Personal meetings, involving personal briefings with key CBR Consultants and the decision makers of the prospective JV Partner or large dollar investor. We have found that going directly to Step 4 is typically counter-productive. We will help as much as is desired with the due diligence process. Though the sequence

of such steps may vary, depending upon circumstances, we have found them to be helpful in expediting the due-diligence process for potential JV Partners and investors, and their advisors, in order to minimize potential confusion and misunderstandings which may arise during the course of a private offering.

Step 5: Execution of the Letter of Intent LOI as described above (if a JV partner), or, execution of Investment Subscription (if an individual investor).

10. Investor Risk Mitigation. There are inherent risks involved to potential JV Partners or investors with any start-up project. The first commercial CBR is no exception; however, we have made every effort to minimize the risks to equity investors. We have encountered a host of willing and eager investors, so long as they are not the "first in" and/or who are "risk-averse". We do not wish to waste your time or ours. However, we have developed significant incentives for those willing to take such with us risks early on. Steps taken to reduce and mitigate these risks include:

a. In addition to Joint Venture partners being able to have their funds repaid, with interest as well as being able to convert their principal to equity, as described above, individual investors funding Phases I and II, their invested funds shall be returned, with interest, while investor retains equity. Plus, until investment is repaid, investor shall retain a lien on land and buildings;

b. The CBR Project may be eligible for up to \$10-20 million* per year in biomass-based renewable fuel energy tax credits and up to \$1.2 million per year for 10 years in other energy tax credits; these credits may be passed through to investors;

* Assumes a 10-20 million gallon per year production of biomass-based advanced biofuels;

c. We have been evaluated and are eligible for EB-5 project funding (via a US Customs and Immigration Service program). Based on the numerous jobs each CBR/HBR is set to create, each CBR/HBR is eligible to receive up to \$30 million from this source. However, since it is a long and drawn out process, we can include in any investment document or Letter of Intent that upon receipt of EB-5 funding, the CBR/HBR will repay a like amount of the invested or borrowed funds back to the funder(s) with a reasonable interest rate, should CBR pursue EB-5 funding. Such a scenario cannot occur before the conclusion of Funding Phase II;

NOTE: As happened with the New Markets Tax Credit program, the EB-5 program began to suffer from abuse due to lack of federal oversight, which in turn, cast suspicion on the U.S. that it would honor its agreements. As such, USCIS has greatly curtailed EB-5 use and a Senate committee is working to revise the program. The federal political climate has put many immigration-related issues into question; therefore, if the program remains available and becomes less onerous, CBR LLC will likely look to it as a potential future funding source.

d. With other equity funding in place, the CBR can then bring the USDA's (Rural Development) Business and Industry loan guarantee program to bear which will enable us to then repay whatever outstanding investor interest back to them, with interest; or, utilize this program to fund the balance of the project requirements should investor input be insufficient. (Depending on the configuration, there may be additional loan guarantees available from the USDA Rural Electric element based on our internal electrical generation capabilities);

e. Any energy credits a CBR may be eligible for (based on availability from local utility service providers) from its internal electricity generation may be passed through to the investors;

f. CBRs may be eligible for Industrial Revenue Bonds and Community Development Block Grants, as may be available through the CBR site communities;

g. CBRs may be eligible for other types of bonding as may be made available; receipt of other subsequent sources of funding can be configured to guarantee repayment of such bonds;

h. Tax credits which may be made available via individual site programs available may be passed back to the investors as well;

i. Any other income tax credits which may be made available by the state which can be monetized, will be; any which cannot be monetized but available to be passed through to the investors, shall be.

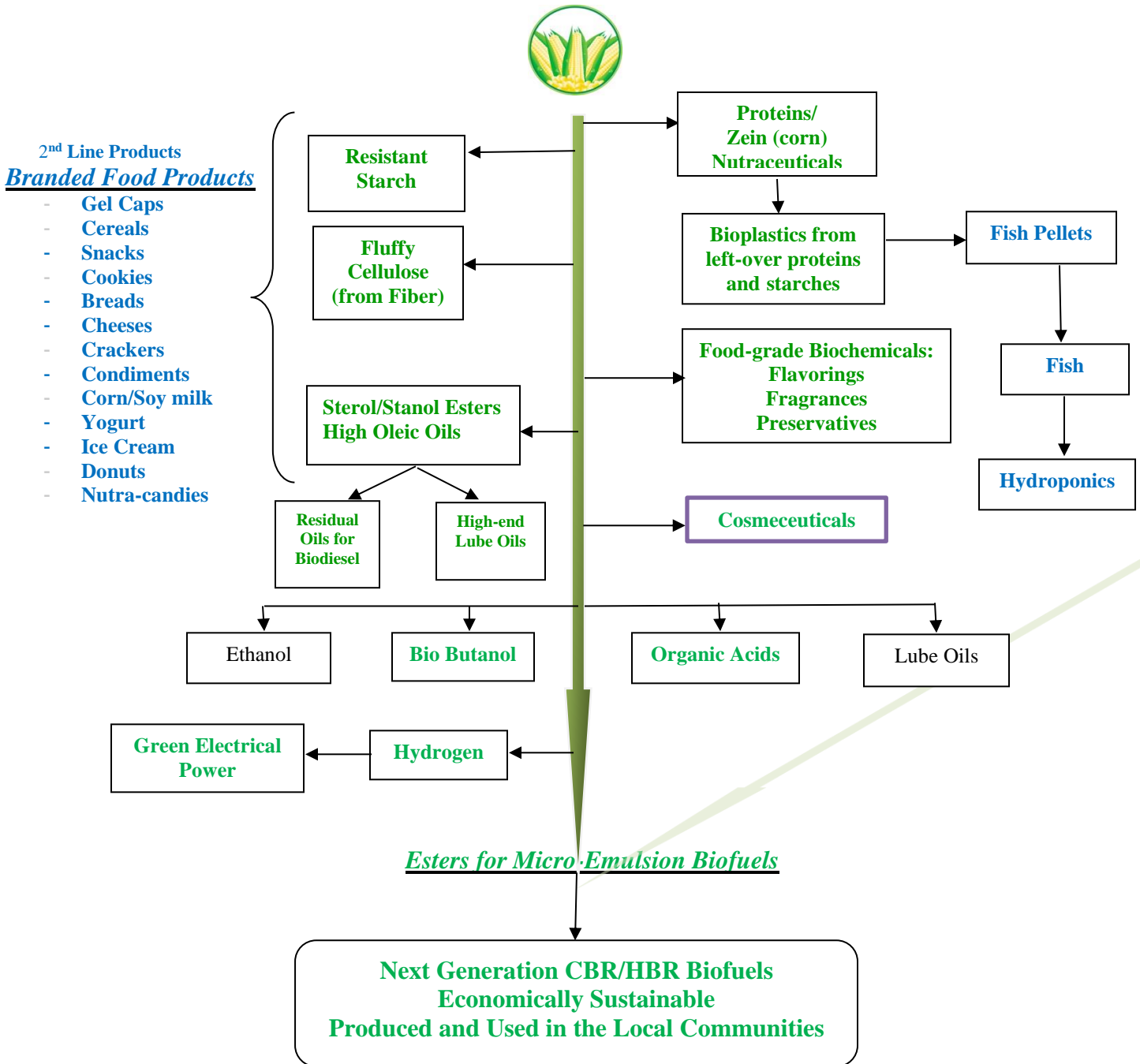
With these tools available to us, all we need are the upfront equity sources to enable us to put all the pieces into play.

Community Bio-Refineries Production Flow/Product Tree
(Using CBR processing techniques)

CBR/HBR Product Tree

Vertically Integrated Process - Products Flow Chart

Feed Stocks: Corn, Soy, Rice, Barley, Camelina, Hemp Seed
Biomass: Sweet Cane Sorghum, Rice Straw, Hemp/Cannabis



11. Contact Information:

Scott R. Hewitt, Interim CEO
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email: scott@bio-refinery.com

SEE: www.communitybiorefinery.com
www.hemp-biorefinery.com

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