

Midwest MicroSystems L.L.C.

A Brief Overview of the Company ...

Mission Statement

Midwest MicroSystems, having an agricultural foundation and rural focus, is dedicated to improve the economic position and success of our customers by providing superior information management solutions. The company will deploy high quality, integrated information management systems that establish a dominant position in the global market, leading to sustained growth and financial success. As a result, Midwest MicroSystems will increase the profitability of its customers and thereby strengthen the viability and the quality of rural life.

Copyright©2008 Midwest MicroSystems L.L.C.
3100 'O' Street, Suite 7
Lincoln, Nebraska 68510-1532
<http://www.midwestmicro.com>

Summary

Midwest MicroSystems L.L.C. designs, develops and sells information management solutions. Headquartered in Lincoln, Nebraska, the company was established in 1993. The principal product is beef cow herd management software called Cow Sense®, which is sold nationwide and internationally. Midwest MicroSystems also does custom software development, and presently has custom software solutions in place with clients in, California, Kansas, Massachusetts, Minnesota, Missouri, Nebraska, New Mexico, South Dakota, and Texas.

Key Enterprise Zones

To make the vision expressed in our Mission Statement a reality; Midwest MicroSystems has established three Key Planning Areas or Zones where performance is critical to the success of the company:

- *Information Management Solutions for the Beef Industry,*
- *Innovative Work Force Solutions*
- *Information Management Solutions – Custom Applications/Research and Development.*

We have established measurable and quantifiable goals in each of these vital areas relating to sales volume, customer service, return on investment, and market presence.

Organization

Structure

Midwest MicroSystems is presently a Limited Liability Company, which provides a flexible structure to accommodate the future growth of the company.

Location

Midwest MicroSystems is headquartered in Lincoln, Nebraska. Nebraska is one of the nation's leading beef states, and the company has deep roots in Nebraska's cattle industry. Lincoln, as the state's capital and one of the state's major business centers, is an excellent location for the company. Headquarters houses core management, support, development, and administrative staff. Midwest MicroSystems also utilizes off-site resources for programming, documentation, and sales.

Midwest MicroSystems may be reached at: 3100 'O' Street, Suite 7, Lincoln, Nebraska, 68510. Phone: 402-323-6969. E-mail: info@midwestmicro.com. World Wide Web: <http://www.midwestmicro.com>.

Product Development and Sales

Telecommunications plays a vital role for Midwest MicroSystems. Work is coordinated through direct computer connections via modem, by the company's Internet Web site, e-mail, and through normal voice communications.

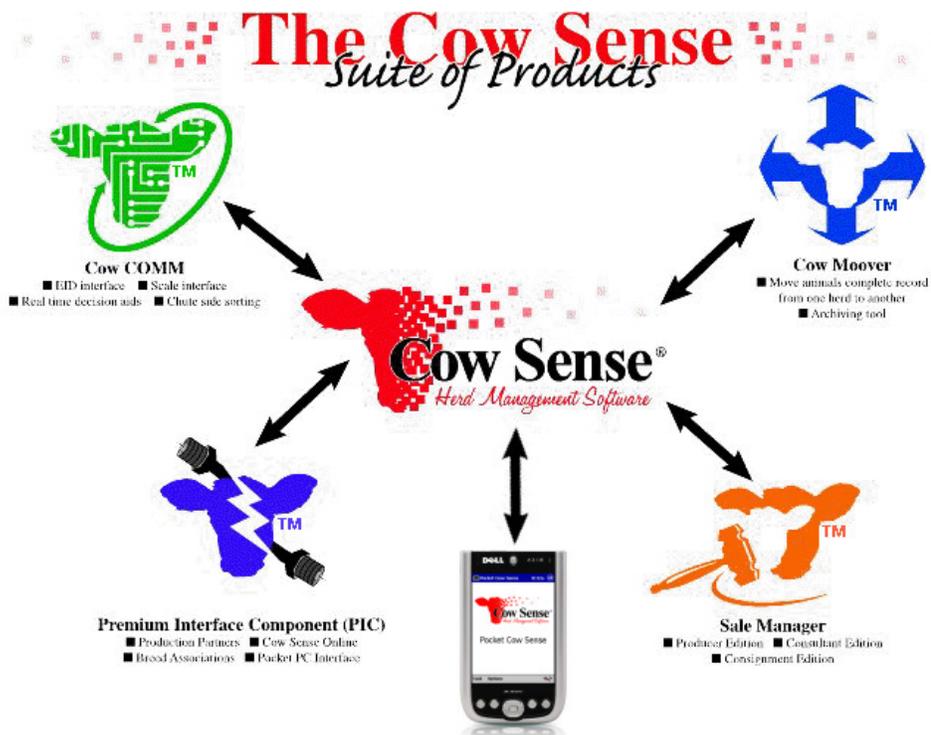
Information Management Solutions for the Beef Industry

Cow Sense® Herd Management Software

Cow Sense® is a commercially produced integrated software solution for the beef industry that the Company sells nationally and internationally. The first Macintosh programs began shipping in September 1993, and Windows versions followed a year later. The company has enhanced and expanded its product line since that time. Cow Sense is widely sold as a commercially packaged product. Both direct sales and indirect sales through a distributor/reseller network are in place for Cow Sense, which is sold nationwide and internationally. Cow Sense software is now available in 48 states and eleven foreign countries.

Product Suite

Today Cow Sense has evolved into a suite of products with the original herd management software at the core, as illustrated below. The peripheral products are each strategically designed to perform specific functions and fulfill needs that do not exist in all beef cow operations. Each product, however, ties into the core Cow Sense herd database.



Core Product

Cow Sense herd management software is Midwest MicroSystems core product. It was designed for beef producers by a beef producer, based upon the role that technology could play in beef production. Cow Sense tracks individual lifetime

production of breeding stock in the beef cowherd. Individual measures of cow and bull performance aid producers in culling low producing animals and thereby improving overall herd performance.

Cow Sense core products hold the data entry, data management, and reporting functions for the cow herd or herds, which are contained in a relational database. Cow Sense is distributed on CD and via the Internet as a working demo (Trial Edition) that can be enabled by entering a key code. The core products are scaled in their functionality to fit specific types of beef operations or management needs. Each may be easily upgraded with a simple change of key code.

EZ-75 is designed with the smaller cow operation in mind. It provides all the performance measures, breeding, and animal health functions, for cow herds of 75 head or less. It also has some advanced features like user defined fields, custom reports, and specialized data entry removed for simplicity.

Lite is for a ranch that does not yet weigh calves individually or retain individual carcass performance. It provides measures of reproductive performance, progeny lists, and all the other functions for breeding and animal health.

Commercial is the most widely used product, with complete individual animal performance measures while on the cow, in the feedlot, and at harvest. Detailed breeding and animal health are standard.

Purebred introduces functions for the seed stock operation or the advanced commercial operation where depth of pedigree is important. There is also provision for breed templates that provide seamless data exchange with breed associations.

Keeping pace with the challenge.

Just as the beef industry is changing, so is our line-up of management tools for beef producers. We are pleased to reveal additional products that have been developed to interface with Cow Sense to meet the continuously evolving technological needs of the beef industry:

The peripheral products extend the functionality of Cow Sense Herd Management Software. They have arisen from a broad vision of the beef industry and recognition that the cow-calf business will prosper when it becomes integrated with a production system that incorporates feedback as an operational requirement. The peripheral products also entail key advances in technology using the comfort and security of the home PC to maintain and store data coupled with the power of the Internet for sharing and analyzing information in a secure environment.

Sale Manager assists seed stock producers or specialized commercial marketers to manage customer relations and animal sales. The Producer Edition handles private treaty or small auction sales, while providing billing, customer history, and sale preparation. Sale Manager is also available as a service in a high-end, networked version for managing large auction sales.

Cow COMM is the Cow Sense chute-side companion. It serves data acquisition in real time with its interfaces to electronic ID readers, electronic scales, electronic hip-height measuring devices, LED signs and frequencies for swinging

gates. It also serves in-process decision making by referencing all historical animal information in combination with newly acquired data and providing automated, user pre-defined sorting protocols. Sorting protocols are available for cows and bulls (in the Version 2 release) as well as feeder calves and replacement heifers.

PIC, or Premium Interface Component, contains data exchange protocols that integrate Cow Sense with industry partners. Included are protocols for breed associations and beef production systems. PIC uses a unique template mechanism to adapt the Cow Sense data structure to specific applications. It also employs a proprietary Internet File Transfer Protocol tool that supports the data transfers using Midwest MicroSystems' secure Internet site.

Cow Sense Online is a web-active, Internet central database service for comparative analysis and benchmarking. It provides Cow Sense users a means of evaluating their herd performance in comparison with other participants in the service. Currently there are nearly 50,000 records. There is no other "real time" comparative analysis tool available to cow-calf producers.

Cow Moover provides a means for moving animals between Cow Sense herds. This utility handles validation requirements prior to moving cattle and permits producers to move individual cows, cows with their progeny, or bulls.

Pocket Cow Sense devices have become powerful enough to be useful data collection and field reference tools. Cow Sense supports the use of the Windows Mobile devices with electronic field forms, including a serial interface for electronic ID scanning.

Beef STAR™

Data exchange between privately held databases has been a barrier to progress in the beef industry. In 2004 Midwest MicroSystems introduced Beef STAR (Source Tracking And Reporting) as a solution for transporting animal data between industry associates – producer, feedlot, processor, retailer, and consumer. We have deployed systems with feedlots, large ranches, and producer associations. Beef STAR delivers source, age, and process verification data from producers to a receiving system in the feedlot or central office. At the same time, Beef STAR establishes a return path for data to flow back to the producer, thereby enabling performance assessment and genetic management based on economic end points.

Beef STAR also provides the platform for Cow Sense Verified, which offers Cow Sense customers the opportunity to command premiums for their cattle. The program provides age and source verification through the USDA-approved Micro Beef Process Verified Program (PVP) for Age and Source Verification.

Cow Sense Genetic Services

Cow Sense Genetic Services, provides beef producers necessary tools to capitalize on information management at the individual animal level and improve productivity, quality and product consistency. The goal is to provide producers with enhanced tools to meet the demands of the beef-eating consumer and improve producer profitability.

Our sophisticated PairMatch™ software with its' SmartMatch™ technology matches calves with their parents through their DNA fingerprint or profile. This result is then returned to our customers and the parentage solution is seamlessly inserted into their Cow Sense herd database where they can use it. That's what makes Cow Sense Genetic Service unique as no other company provides this type of automation! Producers can now benefit from herd management decisions based on known parentage, without having to dig through lab results and reports.

Although samples can be submitted manually to Cow Sense Genetic Services, the economic advantage lies in using Cow COMM chute-side to marry the individual animal identification to the sample being collected, whether blood, hair or semen. That information is then submitted electronically through Cow Sense, and the samples shipped to Midwest MicroSystems. Once the analysis has been performed, the results are returned electronically to the producer. Costs vary according to volume.

Four services are offered through Genetic Services.

Parentage Profiles. We provide the customer with the proper materials or kit for DNA sample collection. They collect the samples (blood, hair, semen or tissue) for "fingerprinting" or profile of potential parent animals, and submit to Cow Sense. The genetic fingerprint is stored in the Genetic Services database. A profile report is returned to the customer.

Parentage Solutions. Samples are taken from progeny of unknown or otherwise unverified parentage. PairMatch™ then allows us to determine through an exclusion process, the possible parent(s). This is most helpful in situations where multi-sire group matings occur, whether natural service or AI (mixed semen).

Audit Solutions. Allows the customer to use the power of DNA profiles to track an animal for positive identification from birth to retail counter. This is particularly useful in situations where the product may otherwise have lost its original identity. This provides a tremendous tool for auditing applications in the harvest facility and validates true source verification.

Storage Solutions. The data profiles are stored and returned on all samples tested. However with this service, tissue samples can be stored for later testing or retesting. This service provides customers the flexibility to test as their management practice dictates. For instance you may sample all animals in a given group, and based upon the target outcome, you choose to analyze only a percentage of that group. Storage may provide a cost effective tool to accomplish your objective. With the emergence of genetic trait testing, storage will become a valuable asset as well. Culling decisions could be made based upon whether an animal is a carrier for a specified trait. Pulling certain animals within your herd from storage for gene testing can be made at any time.

Cow Sense is truly an industry leading software as evidenced by:

- First Windows product sold commercially
- First commercial program to be SPA accredited

- First complete Herd Management Product to interface with EID
- Only Herd Management System providing seamless integration with:
 - Feedlot systems
 - DNA analysis
 - Real-time comparative analysis and benchmarking against validated whole herd data

Midwest MicroSystems offers a unique blend of software development expertise and *working knowledge* of the beef industry. We also have extensive *relationships* throughout the industry that will benefit the production and future enhancement of this software product. With these qualities comes a *vision* of the role that the software product can fill in improving not only the quality of cattle produced in this system, but also the competitive position and financial standing of beef producers. This means *added value* in the software product for our clients.

Innovative Work Force Solutions-Telework

Midwest MicroSystems submitted a Small Business Innovation Research Phase I proposal to the U.S. Department of Agriculture in September 1996. The proposal, “Rural Revitalization through Telework,” was successful, and work on the project ran from May to December 1997.

The Phase I project entailed research and development of the telework concept in Nebraska, with particular emphasis on rural job creation. The project’s primary goal was to develop a model by which a profitable enterprise can deploy rural jobs through telecommunications.

Following successful completion of Phase I, the Company submitted a Phase II proposal to develop and deploy a prototype of the distributed telework model. The Phase II proposal was also awarded a grant by the United States Department of Agriculture in September 1998.

To bridge the Phase I and Phase II SBIR projects, the Company also submitted a project proposal under the Nebraska Partnerships for Economic Development Act (LB 144), and received that award as well. The LB 144 project involved all nine of Nebraska’s RC&D Councils (Resource Conservation and Development Councils) and NHBBA (Nebraska Home-Based Business Association) to recruit prospective teleworkers.

Custom Applications/Research and Development

Following are brief descriptions of the custom applications that the Company has developed and installed since beginning operations in 1993. These descriptions demonstrate the breadth of the Company’s experience in developing custom software solutions. Despite the variety of content, all applications share methods and controls designed for ease of use, accuracy, and integrity of the data.

Beef Council

The Beef Council program was initially implemented in October 1996. This program was first installed in Nebraska to track their beef check-off funds, which total \$9-10 million annually from 12 million head of cattle marketed. This system has since been expanded. The Kansas Beef Council has also adopted the software and it is currently under consideration by other state councils. The software provides the Beef Council's internal accounting of cattle assessed or not assessed, funds collected or due, and late fees. It also generates the reports that states need for reporting to the National Beef Board. These are network systems with several workstations accessing the database on a central server.

Nebraska Cattlemen's Classic

The Cattlemen's Classic is a breeding livestock show and sale sponsored jointly by the Kearney Chamber of Commerce and the Nebraska Cattlemen. The Classic auctions over \$1 million of breeding stock in a dozen sales during the weeklong event. Midwest MicroSystems' software was first used to conduct the sale in February 1996, and now has a three-year track record. The program manages sale animals, buyers, and sellers. It runs in a network environment that has workstations at the clerk's table and on the auction block. It provides immediate sale statistics to the auction block, prepares buyer invoices, computes all sale deductions for the Classic and each breed, prepares seller statements and writes the settlement checks.

Power Genetics

Power Genetics provides an integrated approach to beef production and marketing to help bridge the gap and improve cooperation between cow-calf producers, feeders and packers. Power Genetics requested the development of an Animal Compilation Database. This project provided Power Genetics with a means to compile cattle performance data from various sources, and in various formats, into a single database. The Project also facilitated Power Genetics reporting of animal performance to their customers. Those customers utilizing Cow Sense send and receive data to and from Power Genetics in a seamless flow through PIC and our MicroFTP tools.

American Chianina Association

The American Chianina Association requested the development of a complete Herd Registration or Herd Book. This program provides ACA with a means to record and manage animal registrations for their Association and its members. Registration can be completely automated with the data flowing from the individual members Cow Sense Purebred program via PIC and our MicroFTP tools to ACA. The complete registration and EPD updates flow back from ACA to the member and into their Cow Sense herd file. Near elimination of duplicate data entry and error risk as well as increased data integrity have all contributed to overall increase in efficiencies.

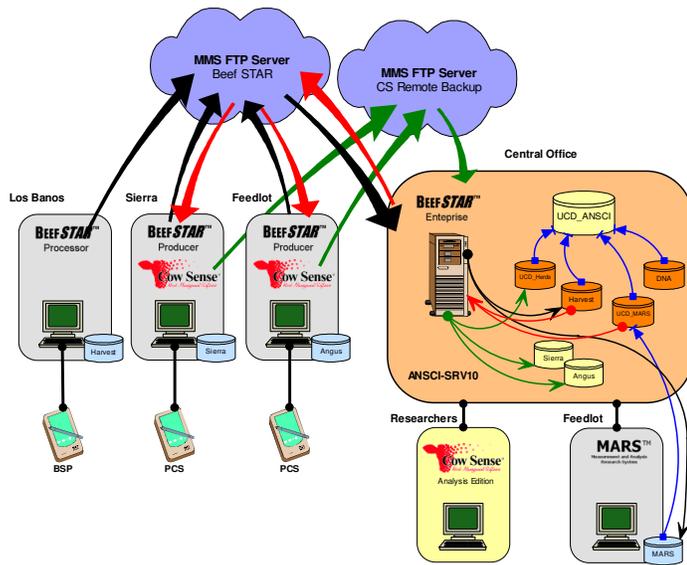
University of Nebraska – Beef Research Station

University of Nebraska's beef research station at Mead, Nebraska, is a small feedlot designed to carry out research trials on beef cattle. Midwest MicroSystems developed a Windows based system to manage experiments, record individual animal

performance and treatments, record feed intake, and track feed inventory. The system provides a chute-side component for collecting data and an office component for managing feeds and feeding. The system outputs data for research analysis and reporting. Now repackaged as MARS (Measurement and Analysis Research System), the system is also in use at Montana State University and is being offered to other research facilities.

University of California Davis

In September, 2006, Animal Science Extension at University of California Davis proposed developing an integrated management system for beef cattle. UC Davis Animal Science operates both a ranching operation and a feedlot, and harvests cattle at a small processing plant that returns carcass data to them. The integrated information system is to provide a model of industry-wide data transfer, assist in producer education, and improve research capabilities for UC Davis. Upon award of their grant, UC Davis contracted with Midwest MicroSystems to supply the software, systems, and expertise for successful implementation of their proposal. The overall system, illustrated at right, will be fully operational early in 2008. It is composed of off-the-shelf Cow Sense products, Beef STAR™ services, and custom integration.



Water Works™

The Ainsworth Irrigation District requested software to handle water management for the District, which irrigates about 36,000 acres. The program was implemented beginning with the 1996 season. The software tracks water delivery to each tract of land in the District. It accounts for each user's water and the balance remaining on the user's allotment. It prepares summary statement for each user and bills for additional water over the allotment. Water Works has also been installed in a similar application for the Navajo Nation in New Mexico.

GROW Nebraska

GROW Nebraska is a pilot project run through the Central Plains Development Center in Holbrook, Nebraska. The project is organizing a craft cooperative and presenting a series of craft shows that offer participants the opportunity to receive critical review from a panel of experts. GROW Nebraska has contracted with Midwest MicroSystems to develop a client tracking system that manages information about members, production needs, markets, suppliers, and shows. It also provides a means of evaluating the effectiveness of the cooperative. The software is in place and operating effectively.

BuyNebraska

Midwest MicroSystems created an e-commerce site for BuyNebraska, an initiative of the Nebraska Cooperative Development Network. The purpose of the site is to provide online marketing for Nebraska producers of all kinds. Marketing includes both retail sales and institutional sales, which are priced wholesale. Institutional buyers have access to wholesale pricing through a special login. A unique feature of BuyNebraska is the special tool that allows producers to maintain their own product listings. This alleviates the maintenance issue for BuyNebraska administration, a challenge that has led to failure in similar efforts.

Ainsworth Police Department

The Ainsworth Police Department requested a program to track law enforcement data. The software records incidents, people, property, and arrests. It not only provides the Department with means of recording necessary data, but also of retrieving information instrumental for investigations, enforcement, and evaluating the incidence of crime. Development on this product began in January 1997, and it went into service that June. It is presently running on a stand-alone computer in police headquarters, but has the capability of being shared over a network.

GE Foundation - College Bound

The College Bound program is a long-term effort of General Electric Company in partnership with selected schools to double the rate of college attendance from low-income and inner-city schools in GE communities. Brandeis University provides ongoing assessment of the College Bound program, and contracted with the Sparhawk Group of Melrose, Mass., and Midwest MicroSystems to develop interactive software for gathering and reporting data from over 20 schools across the country to the analysis team.

Massachusetts Commission for the Deaf and Hard of Hearing

Midwest MicroSystems collaborated with the Sparhawk Group of Melrose, Mass., to design, build, and implement a software system to replace paper forms and case files in the agency serving people with hearing disabilities. Shared over the office network, the client tracking system gives Consumer Specialists and Case Managers advanced tools to assess consumer needs, identify service opportunities, and track service delivery. Administrators also use the system to monitor overall agency performance.

Raising Dough

Raising Dough is a Lincoln, Nebraska, company that sells food products and other items to schools for fund raising events. Midwest MicroSystems developed software to track orders, inventory, and assembly. The software has been in use since September 1996, running on a Windows network system with two clients.

Sioux Empire Farm Show

The Sioux Empire Farm Show is a livestock show and sale sponsored by the Sioux Falls Area Chamber of Commerce in Sioux Falls, South Dakota. The Farm Show required software to track consignments and generate a sale catalog for cattle, hogs,

and sheep. The software was first used for the show in February 1997. Additional capability for seller settlements was added in 1999. The software is installed on a multi-workstation Novell network at the Chamber offices.

North American Tuli Association

Tuli, originating in Africa, is a relatively new breed to North America, and it holds promise for improved carcass quality for cross breeding programs in temperate climates. Midwest MicroSystems adapted Cow Sense to serve as a breed registry for the Association. It tracks breeders and their registered cattle, and generates registration numbers, breed percentages, and registration certificates. The Association offices are located in Texas.

WeedWatch™

WeedWatch is a Macintosh program used by three counties in Nebraska since 1993. It is designed for county weed superintendents to record weed inspections, track noxious weed infestations, and communicate with landowners. It keeps a database of landowners, addresses, and property descriptions for ready reference by the weed superintendent. The software also tracks notices sent to landowners that specify control measures required to comply with noxious weed laws. It is a stand-alone system.

Soil Builder™

Midwest MicroSystems was developed for a soils laboratory to deploy a system for transmitting soil analysis results to crop consultants and fertilizer dealers. In addition, the software provides tools for optimizing fertilizer formulations and managing producers' field histories. The software has been in use since 1999.

Brown County Solid Waste

Brown County, Nebraska, requested a solid waste-billing program, which was implemented in 1994. This is a Macintosh program that is run by the county Treasurer's office as a stand-alone system. It tracks county residents and their billing rate for solid waste disposal. It generates billing cards quarterly, and keeps a record of payments and receivables.

Customer Service and Support

At Midwest MicroSystems, customer service is our top priority! Each of our customers is an extension of our company and their ability to receive maximum benefit from our products is the true measure of our success. We strive to make all of our products easy to use, yet capable of providing advanced analysis and superior information management. Although technical/product support is a key service component to our customer, our focus is broader. We want to support advanced use and maximize our customers' satisfaction and benefits.

Support for Cow Sense products is provided through the headquarters office in Lincoln. Custom applications are installed and maintained, and staff is trained, both through site visits and direct computer connections with clients.

Owners

James D. Lowe, President

James D. Lowe is the founder and president of Midwest MicroSystems. The company grew out of Mr. Lowe's information management needs in his family ranching operation, in combination with his earlier experiences and training in technology and research. Mr. Lowe sold the ranch in 1995 so that he could devote all of his professional energy to Midwest MicroSystems. After operating the business for two years from a home-based office in Ainsworth, a rural community in the Nebraska Sandhills, Mr. Lowe moved the company to Technology Park in Lincoln because of the need for additional human resources. The company quickly doubled in size, and continues rapid growth resulting from sales of its ranch management software and other technologies.

Mr. Lowe received his Bachelor of Science degree from the Massachusetts Institute of Technology in 1972, with concentration in humanities and science. He pursued graduate studies in Anthropology at the University of Minnesota from 1975 to 1982, and was a Bush Fellow from 1975 to 1978. Beginning in 1977, Mr. Lowe worked as a field researcher for Abt Associates, Inc., which was conducting an evaluation of the Minnesota Work Equity Demonstration Project for the U.S. Department of Labor. His doctoral research was also to be derived from the Work Equity Project. However, in 1980, Mr. Lowe had the opportunity to join his family farming operation, which was expanding into the ranching business in Nebraska. He left Abt Associates to assume responsibility as the managing partner on the ranch.

In 1984, Mr. Lowe acquired the first computer for the ranching operation, and began designing computer applications for ranch management. As computers and software development tools improved, Lowe refined his designs and he released his first commercial software product in September 1993.

Working as a volunteer, Mr. Lowe was instrumental in bringing community networking and local Internet access to Ainsworth and Brown County. He served for two years as the administrator of the Ainsworth community network, providing support and training to users, and maintaining the communications equipment.

Mr. Lowe has also been an active supporter of micro enterprise and entrepreneurship. He was a charter member of the Nebraska Home-Based Business Association in 1993, and served on the Board of Directors beginning in January 1994. He was NHBBA vice president in 1995 and president in 1996. Telework has been a key interest of the Association since its inception, and Mr. Lowe is committed to helping make this concept become a reality in Nebraska. Mr. Lowe has served as a Director of the Nebraska Microenterprise Partnership Fund since 1997. This organization supports programs that serve Nebraska's small and micro businesses. It works to mobilize, allocate, leverage and link strategic local, state and national resources with community-based organizations that provide financial and technical assistance to Nebraska's businesses.

Timothy P. Davis, Vice President

Tim Davis joined Midwest MicroSystems in January 1998. Mr. Davis serves as chief operating officer, planning, organizing, and coordinating implementation of the company's strategic plan. Mr. Davis is also responsible for maintaining effective internal and external relationships, forward-looking programming, and constructive growth of the company.

Mr. Davis received his Bachelor of Science and Master of Science degrees in Agriculture from the University of Nebraska – Lincoln. His areas of emphasis were in Animal Science as well as Agricultural Leadership, Education, Communication and Agricultural Economics. Upon graduation, Mr. Davis accepted a position as Instructor of Agricultural Education at the secondary level. The following year, he joined the Nebraska Cooperative Council, as Education and Communications Director, responsible for administration of adult education, human resource and management programs, grant funded programs, communications and public relations as well as lobbying specific legislative issues on the state and federal level.

Mr. Davis left trade association work in 1987 and joined the Nebraska Department of Agriculture. As the Manager of Agriculture Promotion and Development he was responsible for the domestic and international promotion of Nebraska agricultural products. Mr. Davis assisted agricultural producers as well as processors in development of their business and marketing plans, and was successful in leveraging private and state funding to obtain several federally funded marketing and promotional projects. Experienced in grant administration and reporting, Mr. Davis led numerous research projects and trade missions throughout: Asia; North, Central and South America; and the Caribbean, with emphasis ranging from livestock and bulk commodities to high value-added foods.

In 1996, Mr. Davis returned to trade association work, accepting the position as Chief Operating Officer of the Organic Crop Improvement Association International, Inc. In this position, Mr. Davis was responsible to the board of directors in formulating and implementing the administrative procedures and policies, as well as development of the organizations first strategic plan. Mr. Davis was also responsible for membership services and public relations as well as certification services product trace ability and oversight for the association in the 35 countries where OCIA membership was active.

Mr. Davis left OCIA joining Midwest MicroSystems as vice president early in 1998 and took an equity position in formation of Midwest MicroSystems L.L.C. later that year. Having lifelong involvement in ranching, Mr. Davis still maintains the family ranch purchased from his parents in 1987. This passion for the industry drives his commitment to provide the latest technologies in a cowboy compatible package.