

**MINNESOTA SOYBEAN PROCESSORS
UNIFORM MARKETING AND DELIVERY AGREEMENT**

This Uniform Marketing and Delivery Agreement (the "Agreement") is made and entered into by and between Minnesota Soybean Processors, a Minnesota cooperative (the "Company"), and the undersigned patron member ("Patron"). This Agreement is effective as of the effective date of the Company's conversion to a cooperative governed by and subject to Chapter 308B of Minnesota Statutes.

PREAMBLE

WHEREAS, the Company is organized and operated as a cooperative under Minn. Stat. Chapter 308B for the mutual benefit of all members of the Company. The Company enterprise is organized with the intent of processing soybeans and the production of soybean products for sale; and

WHEREAS, this Agreement records legal relations between Patron as seller and Company as buyer of soybeans and is an agricultural marketing contract under Minn. Stat. §308B.311. The parties are also related under the Second Amended and Restated Articles of Organization ("Articles") and First Amended and Restated Bylaws ("Bylaws") of the Company, as such Articles and Bylaws may be amended from time to time. Patron has entered into this Agreement as a condition to becoming a Patron Member of the Company in accordance with and subject to the Articles and Bylaws. Patron acknowledges that this Agreement shall include as part of its terms each provision of the Articles, Bylaws and other reasonable policies, rules and regulations adopted by the Company's Board of Directors ("Board") pursuant thereto, as fully as though each provision was expressly set forth herein. All capitalized terms used in this Agreement not otherwise defined herein shall have the meaning ascribed to such terms in the Articles or Bylaws, as applicable. Patron acknowledges receipt of copies of the Articles and Bylaws; and

WHEREAS, this Agreement has been entered into by the parties because the Company desires to protect its interests by ensuring access to an adequate supply of soybeans, and Patron desires to establish and protect its right to market a specified number of bushels of soybeans with the Company on a patronage basis in accordance with the Articles and Bylaws.

NOW, THEREFORE, Patron and Company agree as follows:

1. Appointment of Company as Agent. Patron appoints and designates the Company to act as Patron's sole agent in the purchase, sale and marketing of the soybeans committed to the Company under this Agreement and any supplements, extensions, renewals, substitutions or modifications of this Agreement.
2. Soybeans Committed to Company. Patron agrees to commit and deliver to the Company, at the Company's designated facility(ies), one (1) or more bushels of soybeans during each processing year for each Class A Preferred Unit of the Company owned by Patron. The actual bushel commitment shall be calculated each year at the current year call rate (established by the Board reflecting the estimated need for soybeans to be processed and the Class Percentage of the patron members) multiplied by the number of Class A Preferred Units owned by Patron. For purposes of this Agreement, a processing year shall start on January 1 and shall end on December 31 of each calendar year, until otherwise changed by Company.

In the event that Patron's production is reduced so that Patron is unable to deliver the number of bushels described above, Patron shall be required to obtain the soybeans from any other source and deliver the soybeans to Company, as if the soybeans had been produced by the Patron. If Patron cannot deliver the soybeans committed, Patron agrees that Company, at its option, may assist Patron for the purpose of obtaining the soybeans in Patron's name and may charge to Patron all expenses required to obtain and deliver the soybeans to Company's facility.

Company shall have no obligation to accept for marketing any soybeans in an amount greater than that specified above, regardless of whether Patron's total soybean production has increased.

3. Adjustments to Amount of Soybeans Committed. Patron acknowledges that certain circumstances may affect the total number of bushels of soybeans that Company may process in any given year. Patron acknowledges and agrees that the Board may increase or decrease the number of bushels of soybeans committed by Patron on a pro rata basis with all other patron members of Company.

If the total number of bushels contracted for sale and delivery to Company by all patron members under similar uniform marketing and delivery agreements exceeds the number of bushels that Company determines that it needs during a processing year due to an initial oversubscription of soybeans or to a temporary foreseen or unforeseen processing or marketing problem, the Board shall have the right to reduce the committed number of bushels on a pro rata basis based upon the number of Class A Preferred Units owned by each patron, either on a permanent or temporary basis, so that the total number of bushels committed to Company by all patron members will fulfill Company's anticipated processing needs. Likewise, if the total number of bushels contracted for sale and delivered to Company by all producers under similar Agreements is less than the number of bushels that Company determines that it needs to meet its processing requirements during a given year, the Board shall have the right to increase the committed number of bushels on a pro rata basis according to the number of Class A Shares owned by each Patron, so that the total number of bushels committed to Company by all producers will fulfill Company's anticipated processing needs. Company will notify Patron of any changes in the number of bushels to be delivered by Patron to Company in any processing year.

4. Delivery. Patron agrees that Company may establish a delivery schedule for all patron members bushels contracted under similar agreements. Patron agrees to deliver Patron's soybeans committed in accordance with the delivery schedule prepared by Company for all patron members, and agrees that the risk of loss for the soybeans shall remain with Patron until Patron's soybeans are delivered to and accepted by Company. Company shall accept soybeans either by:
 - a) Receiving and grading Patron's soybeans at the Company's designated facility(ies); or
 - b) Notifying Patron that the Company has accepted soybeans held in storage other than at Company's processing facility.

The Board may modify the above process if it is determined that some other process will allow Company to more efficiently process and market soybeans, including establishing standardized procedures for a pool purchasing program for patron members who wish to meet their soybean commitment through open-market purchases or other efficiency-seeking methods and procedures, provided that any pool fees or other administrative charges for using the pool purchasing program may only be charged to patron members upon the approval of a majority of votes cast by patron members present at a duly held meeting of the members of the Company called for that purpose or the notice of which included such purpose. Patron agrees to abide by the rules and procedures established for such pool purchasing programs.

5. Forward Contracting. Company, at the discretion of the Board, may offer forward contracting opportunities to Patron. Any gains or losses from this service will be added or subtracted from the Soybean Payment, as described in paragraph 8.a) of this Agreement, upon delivery.
6. Product Quality Standards. All soybeans to be delivered by Patron to Company shall be a "commercially acceptable product" in accordance with Federal / State standards applied by the Company. Product of substandard quality, as determined by Company, shall, at Company's option, be either:
 - a) Rejected and returned to Patron with all costs relating to the rejection and return charged to Patron; or
 - b) Accepted with deductions and allowances made and charged against Patron because of the inferior grade, quality or condition at delivery.

If, in Company's sole opinion, Patron continually fails to deliver commercially acceptable soybeans, Company may terminate this Agreement and Patron's membership in Company.

Company shall make rules and regulations for grading the quality of soybeans and to standardize the manner of handling and shipping soybeans. Patron agrees to observe any such rules and regulations and accept the grading established by Company.

7. Use of Soybeans and Soybean Products. Company shall have the sole and complete discretion in all phases of marketing activity including, but not limited to, commingling, pooling or pledging soybeans once accepted and any products of the soybeans as security for loans to any lending institution or other lender.

Company may, in its sole discretion, market any soybeans delivered pursuant to this Agreement on an open market basis if, in Company's judgment, Company's processing facility cannot handle all of the soybeans committed under Agreements. In such event, the proceeds from soybeans sold on the open market shall be added to all other proceeds of Company and allocated to patron members pursuant to the provisions of the Bylaws.

8. Payments to Patron. Company shall process soybeans in a manner it deems to be in the best interests of Company and all patron members as a whole, and shall market processed soybean products at the best price obtainable by Company under the then current market conditions. Company agrees to pay Patron as follows:
- a) Soybean Price and Payment. Company shall pay Patron within ten (10) days of each delivery on a priced or spot contract for soybeans. Company shall determine the purchase price based upon available market information to establish a per bushel price which will include price fluctuations as a result of a changing market. Patron agrees that such soybean payments are earned income for tax purposes, and that the Company may establish a unit retain program as further described in the Company's Bylaws.
 - b) Value Added Payments. At the end of each processing year, and at such other times as determined by the Board, Company shall determine the net income from all of its operations and may make such allocations and payments to Patron as determined by the Board in accordance with the Company's Bylaws, after approval by the Company's lender(s), which will further compensate Patron for value added to Patron's soybeans during processing, and still allow Company to retain its financial integrity. Patron agrees that such allocations and payments are income for tax purposes, and that Company may establish a per unit retain program as further described in Company's Bylaws.
 - c) Transportation Payments. The Board may establish transportation allowances to be paid to producers for delivery of soybeans to places designated by Company. Company's Board, pursuant to reasonable policies of uniform application, may determine transportation allowances.
 - d) Patronage Allocation. Patron shall be entitled to allocation of earnings from the Company in accordance with Company's Bylaws.
9. Patron's Warranty. Patron warrants to Company that Patron is the owner of the soybeans delivered to Company under this Agreement and that the soybeans are commercially acceptable, as required in paragraph 6 of this Agreement.
10. Term of Agreement.
- a) Five Year Term. The term of this Agreement shall be for five (5) consecutive years following the effective date of the Company's conversion to a cooperative governed by and subject to Chapter 308B of Minnesota Statutes. This date is referred to as the "Effective Date."

At the end of the first year of the five (5) year term, this Agreement shall be renewed for an additional year unless either party gives notice of termination as provided below. Each succeeding year shall be renewed in the same manner so that, unless notice of termination is given, there shall always be a five (5) year obligation for Patron and Company under this Agreement.

- b) Termination by Notice. Either party has the right to terminate this Agreement at the end of the original five (5) year term and each renewal term by giving written notice to the other party of such termination as follows:
 - i. Notice of termination of the original five year term shall be given not more than one hundred eighty (180) days nor less than thirty (30) days before the date that is one year after the Effective Date. If such notice is given, Patron and Company shall have four years remaining under this Agreement instead of a “renewed” five year term.
 - ii. Notice of termination after each renewal term shall be given not more than one hundred eighty (180) days nor less than thirty (30) days before the next anniversary date of the Effective Date. If Patron gives notice after any number of renewal terms, Patron and Company shall have four (4) years remaining under this Agreement.
 - c) Termination by Patron Membership Conversion. Both Company and Patron acknowledge that the Board has authority under the Company’s Bylaws to establish a conversion to nonpatron membership policy with respect to retiring patron members on terms and conditions it deems advisable in its sole discretion, provided that nothing herein shall give Patron any right to demand such conversion or that such conversion policy be adopted. In the event Patron converts its patron membership to a nonpatron membership pursuant to the terms and conditions of any such policy if adopted, the parties agree that this Agreement shall terminate in accordance with such policy upon the effective date of any such conversion to nonpatron membership.
 - d) Automatic Termination. This Agreement shall terminate automatically effective immediately in the event Company ceases operations permanently; a petition for protection under the bankruptcy laws is filed either voluntarily or involuntarily by or against the Company; the Company makes an assignment of its assets for the benefit of itself or any of its creditors; the Company is adjudged insolvent; a receiver or trustee is appointed for the Company or for any substantial part of its assets; or the Company has a public or private foreclosure action brought against it or any of its personal or real property by its senior lender.
11. Remedies. The parties agree that the following remedies shall apply:
- a) Patron’s Remedies. If Company fails to pay any payment for soybeans delivered and accepted as provided in paragraph 8 of this Agreement, Patron may recover the payments from Company. Patron may not claim or recover any incidental or consequential damages for non-payment. If Company rejects any soybeans tendered for delivery, Company shall not be liable for damages, provided Company has performed in good faith in the establishment of quality specifications and in the inspection and rejection of soybeans tendered for delivery. If the obligation of good faith is violated, then Patron may resell the soybeans and recover the difference between the resale value and the payments Patron would have received as determined under paragraph 8 of this Agreement, less per unit retains, and less expenses saved in wrongful rejection. If Company rejects any soybeans tendered for delivery, Patron may not withhold future scheduled deliveries. Patron may withhold future scheduled deliveries only in the event that the Company fails to pay Patron the payments owed Patron as provided in paragraph 8 of this Agreement.
 - b) Company’s Remedies. If Patron fails to make delivery or Company rejects in good faith any tender of delivery, Company may make in good faith and without unreasonable delay any reasonable purchase of soybeans in substitution for that due from Patron. The Company shall

be entitled to injunctive relief or a decree of specific performance in the event of any breach of this Agreement. In the event of the non-performance by the Patron under this Agreement or should such nonperformance result in the termination of Patron's membership in the Company, the Patron agrees that, in addition to any other remedies available to the Company, the Company shall have the right, exercisable at the option of the Board, to set off the amount of damages Patron may become obligated to pay the Company against the Patron's stock or other evidences of equity standing on its books, provided however that nothing contained herein shall give Patron any right to have such set off made. The Patron agrees to pay all reasonable legal costs and expenses, including attorneys' fees and court costs, incurred by the Company in any action brought by the Company against the Patron for any breach or threatened breach of this Agreement.

- c) Patron's Termination of Membership. Patron acknowledges Patron's status as a patron member of Company is subject to termination for cause by action of the Board as provided in the Articles and Bylaws. In the event of termination of membership, this Agreement shall be cancelled as of end of Company's fiscal year next following the termination of membership. It is further agreed that in the event of any such termination of this Agreement, because of the impossibility of ascertaining with accuracy the damages resulting from such a breach, the Company shall be entitled, as liquidated damages, to an amount equal to twenty-five percent (25%) of the market value of the soybeans which the Patron has failed to furnish or were improperly furnished under the terms of this Agreement. The market value shall be determined by using the highest price for soybeans at the delivery point that was designated by the Company during the 30-day period following the Patron's breach of this Agreement. Termination of membership or cancellation of this Agreement shall not waive, affect or limit Company's remedies as provided in paragraph 11.b) above, and shall not be construed as a renunciation or discharge of any claim for an antecedent breach.
 - d) Dispute Resolution. In the event of any dispute or controversy between the parties arising out of or relating to this Agreement, the parties agree that such dispute or controversy shall be arbitrated in accordance with proceedings under NGFA Arbitration Rules, and such arbitration shall be the exclusive dispute resolution method under this Agreement. The decision and award determined by such arbitration shall be final and binding upon both parties. All costs and expenses, including reasonable attorney's fees and expert's fees, of all parties incurred in any dispute which is determined and/or settled by arbitration pursuant to this Agreement shall be borne by the party determined to be liable in respect of such dispute; provided, however, that if complete liability is not assessed against only one party, the parties shall share the total costs in proportion to their respective amounts of liability so determined. Except where clearly prevented by the area in dispute, both parties agree to continue performing their respective obligations under this Agreement until the dispute is resolved.
12. Compliance with the Company's Governing Instruments. Patron accepts and agrees to conform to and abide by the provisions of the Articles of Organization and Bylaws of the Company and all amendments thereto during the term of this Agreement.
13. Security Interests. If Patron grants a security interest in Patron's soybeans during the term of this Agreement, Company shall have the right, after acceptance of the soybeans by Company, to pay all or a part of the obligation underlying the security interest, or to issue a joint payment check. Such payment shall be for the account of Patron and shall be charged against the amount owing to Patron by Company. The Patron shall inform the Company of all security interests granted in Patron's soybean crop by disclosing all security interests as provided by state or federal law to the Company, and if not provided, then separately in writing. The Patron shall notify the Company prior to granting any security interest in the soybeans to be delivered if the security interest is granted sixty (60) days prior to the anticipated date of harvest.
14. Inability of Company to Perform. In the case of fire, boiler explosion, equipment failure, interruption of power, strikes or other labor disturbances, lack of transportation facilities, shortage of storage, shortage of labor or supplies, perils to the facilities, floods, action of the elements, riot, interference

of civil or military authorities, enactment of legislation, or any other unavoidable casualty or cause beyond Company's control that affects the conduct of Company's business to the extent of preventing or unreasonably restricting Company's receiving, handling, processing, packaging or sales operations, Company shall be excused from performance during the period that the Company's business or operations are so affected. Company may, during such period, accept such portion of Patron's soybeans as Company has informed Patron that Company can in its judgement economically handle.

15. Complete Agreement. The parties agree that there are no oral or other written conditions, promises, representations or inducements in addition to or in variance with any of the terms of this Agreement, and this Agreement represents the full, voluntary, complete, and clear understanding of the parties with respect to the subject matter hereof.
16. Assignment. Patron may not assign this Agreement without Company's prior written consent, and then only to a patron member as defined in the Bylaws. Company may not assign this Agreement without Patron's prior written consent, except that Company may assign, without Patron's prior written consent, this Agreement as collateral security for any or all loans made to Company.
17. Waiver of Breach. No waiver of a breach of any of the provisions contained in this Agreement shall be construed to be a waiver of any subsequent breach of the same or any other provision of this Agreement.
18. Construction of Terms of Agreement. The language in all parts of this Agreement shall be construed as a whole, and not strictly for or against any party. In the event that any term, covenant or condition of this Agreement is held to be invalid or void by a court, the invalidity of such term, covenant or condition shall in no way affect any other term, covenant or condition of this Agreement.
19. Notices. All notices from one party to another shall be in writing and dispatched by ordinary mail, postage prepaid, to Company at its designated address and to Patron at Patron's address as it appears on the books of the Company.
20. Governing Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of Minnesota.
21. Successors and Assigns. Subject to the other provisions of this Agreement, all of the terms, covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the parties, their successors and permitted assigns.
22. Modification. This Agreement may only be modified upon a majority vote of the Company's patron members who have executed a Uniform Marketing and Delivery Agreement who are present at a duly held meeting of the members of the Company called for that purpose or the notice of which included such purpose.

Member Number _____

**UNIFORM MARKETING AND DELIVERY AGREEMENT
SIGNATURE PAGE**

PATRON:

Dated the ____ day of _____, 20__

Signed

Printed Name

Address

City, State, Zip

Phone

Social Security No. or Employer I.D. No.

ACCEPTANCE OF AGREEMENT BY COMPANY

Minnesota Soybean Processors hereby accepts the above Uniform Marketing and Delivery Agreement from Patron.

Dated this ____ day of _____, 20__.

COMPANY:

MINNESOTA SOYBEAN PROCESSORS

By: _____

Its: _____

UNIFORM MARKETING AND DELIVERY AGREEMENT

**MINNESOTA SOYBEAN PROCESSORS
A Minnesota 308B Cooperative**