

MASTER MARKETING AGREEMENT

THIS MASTER MARKETING AGREEMENT made and entered into by and between Team Marketing Alliance, L.L.C., a Kansas limited liability company with its principal place of business at 307 West Cole Street, P.O. Box 380, Moundridge, Kansas 67107 hereinafter ("TMA"), for itself and on behalf of and as agent for its farmer cooperative members, Farmers Cooperative Elevator Company, Halstead, Cooperative Grain and Supply, Hillsboro, Mid-Kansas Cooperative Association, Moundridge, and Central Prairie Co-op, Sterling, Kansas ("Co-ops") and any admitted members/owners of TMA as parties of the first part ("Buyer"), and as party of the second part ("Seller") Co-ops' members and patrons, that have signed below, that elect the benefits of this Agreement and agree to be bound to the terms and conditions of this Agreement and that provide their Social Security or Taxpayer Identification Number or establish a security personal identification number for the member's account.

The parties to this Master Marketing Agreement ("Agreement") understand and agree that it is executed for the purpose of facilitating Purchase Contracts and Cash Contracts for the sale and delivery by Seller to TMA or to Co-ops, as the case may be, as "Buyer" of grain and other Commodities, and the terms and conditions of this Agreement are hereby incorporated into all such Purchase Contracts and Cash Contracts unless otherwise specifically provided in such Purchase Contracts and Cash Contracts. For purposes of this Agreement, the term "Buyer" shall refer to TMA in the case of Purchase Contracts and to a Co-op in the case of Cash Contracts.

1. DEFINITIONS

- 1.1 "*Commodity*" or "*Commodities*" means wheat, canola, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil, and all other fats and oils), cottonseed meal, cottonseed, sunflower seeds, peanuts, soybeans, soybean meal, and all other goods and articles, and all services, rights, and interests in which contracts for future delivery are presently or in the future may be dealt in.
- 1.2 "*Purchase Contract*" means existing or future sales, agreements of sale, and agreements to sell between TMA and Seller whereby TMA agrees to buy and Seller agrees to sell the Commodities as set forth therein. Each such Purchase Contract will be documented by a separate written contract or Purchase Contract Confirmation between Seller and TMA. For purposes of clarity, the term "Purchase Contract" does not include any contract that is a "Cash Contract."
- 1.3 "*Cash Contract*" means an agreement between Co-op and Seller whereby Seller, as producer and owner of Commodities handled by TMA and Co-op, directs the immediate sale, conveyance and transfer to Co-op of ownership and title to a specific quantity of Commodity, which is free of lien, security interest, encumbrance or other adverse claim except warehouseman's storage and handling and such other adverse interest reported to Co-op prior to the sale of such Commodity hereunder, and which was delivered by Seller to facilities owned by Co-op, with the net proceeds to be paid by Co-op to Seller by check, ACH, or as otherwise agreed in the Cash Grain Sale/Purchase Contract. Each such Cash Contract shall be documented by a Cash Grain Sale/Purchase Contract or a Cash Contract Confirmation between Co-op and Seller.

2. OBLIGATIONS

- 2.1 This Agreement does not obligate either TMA or Co-op as Buyer to enter into any Purchase Contract or Cash Contract with Seller and does not obligate Seller to enter into any Purchase Contract or Cash Contract with Buyer.

- 2.2 Buyer and Seller agree that this Agreement, and all Purchase Contracts and Cash Contracts hereby made a part of this Agreement by this reference, require Seller to sell and Buyer to buy such type, grade and grain, quantity and quality of Commodities as specified in each such contract.
- 2.3 All purchases made pursuant to any Purchase Contract and Cash Contract will state the price, the relevant fees and expenses, and any applicable price altering mechanisms, and terms for payment.

3. TERM AND TERMINATION

This Agreement shall be effective upon execution by the Seller named below and shall apply to all grain and other Commodity Purchase Contracts and Cash Contracts between Seller and Buyer in effect at the time of execution, and to all such subsequent Contracts for a term of five (5) years following the later of the execution of this Agreement, or the completion of any Contract hereunder, and thereafter year-to-year until this Agreement is revoked by Seller in writing, however, such revocation shall constitute default of any outstanding, open, executory, or unfilled Purchase Contracts.

4. WARRANTIES

- 4.1 TMA is a duly licensed warehouse under the United States Warehouse Act, 7 U.S.C. §241 et seq., or Kansas Warehouse Act, K.S.A. 34-101 et seq.
- 4.2 TMA has obtained and will maintain in full force and effect a warehouseman's bond as required by the applicable Warehouse Act.
- 4.3 Each Co-op is a Kansas farmers' cooperative organized and existing under the Kansas Cooperative Marketing Act, K.S.A.17-1601 et seq. and is operated on a cooperative basis under Subchapter T of the Internal Revenue Code. 26 U.S.C §1381 et seq.
- 4.4 Buyer will make payment or guarantee to Seller full payment of all amounts that may become due hereunder subject only to the terms of any Purchase Contract and Cash Contract between the parties and as provided in this Agreement and said Warehouse Act.
- 4.5 Upon Seller's request, and at Seller's cost, TMA shall obtain an irrevocable letter of credit for Seller's benefit for the amount due on any Purchase Contract which includes a pricing or payment option or for which TMA becomes obligated to Seller in accordance with K.S.A. 34-2,111.

5. LIMITATION OF BUYER'S WARRANTIES

- 5.1 Seller acknowledges that Seller will not rely upon marketing advice of Buyer and Seller is solely responsible for the marketing and pricing of the commodity and enters into this Agreement and any Cash Contract or Purchase Contract hereunder with full knowledge and understanding of the risks inherent in Seller's business and decisions. Any statements, information, opinions, or advice provided to Seller by Buyer's employees are provided solely for informational purposes and without guarantee, express or implied, on Buyer's part. Seller understands and agrees that any statements, information, opinions, or advice expressed by Buyer shall not operate to create any managerial or fiduciary relationship between Buyer and Seller. Buyer is not obligated to notify Seller of market price fluctuations.

5.2 Unless otherwise provided in the Cash Contract or Purchase Contract, Buyer shall not be liable for any prevention or delay in performance resulting in whole or part, directly or indirectly, from fire, flood, or other Act of God, strike, lockout, or labor dispute; war, riot, or embargo, action by foreign, federal, state, or local governments, shortages of transportation equipment, fuel, or labor, or any other circumstances beyond Buyer's control.

6. SELLER'S WARRANTIES

6.1 Commodities sold hereunder must be of merchantable quality upon delivery. In addition, Seller guarantees that no commodity covered by this Master Marketing Agreement shall be adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act. Seller further warrants that neither the commodity nor the shipment of such commodity shall be in violation of any and all other federal, state and local laws, regulations or ordinances. If the commodity is adulterated under any applicable laws, or the commodity or its shipment is in violation of any other clause of this provision, Seller shall be in breach of this Agreement, and Seller shall indemnify Buyer from all claims, costs, damages, and issues, whether arising out of Seller's negligence or strict liability, and Buyer may take advantage of any and all available remedies, whether under this Agreement, at law or in equity.

6.2 Title to, all rights of ownership in and risk of loss of the commodity shall remain in Seller until physical delivery to Buyer's designated Delivery Point, at which time such rights shall pass to Buyer unless delivery is made to Buyer under a storage agreement, in which case such rights shall pass upon application of the commodity to a Purchase Contract or Cash Contract with Buyer.

6.3 All Commodities delivered hereunder shall have been or will have been grown in the continental United States.

6.4 Seller agrees that, except as reported to Buyer, any and all commodities delivered hereunder will be free and clear of any other liens and encumbrances and, if any liens exist at time of deliver, Seller authorizes Buyer to make settlement jointly with the Seller and such person or persons in whose favor the lien or encumbrance has attached.

6.5 Seller represents that it is not insolvent, as that term is defined in the Uniform Commercial Code. If Seller's financial condition is deemed unsatisfactory to Buyer during the term of this Agreement, Buyer may terminate this Agreement and all other Purchase Contracts from Seller whether or not Seller is in default. Buyer and Seller recognize that the market price when delivery is required under this Agreement and each Purchase Contract may differ substantially from the Purchase Contract price set forth therein, and each party agrees not to assert such a difference as an excuse for non-performance hereunder or as a defense for damages for failure to perform in whole or in part.

6.6 Seller represents and warrants to Buyer that it is duly organized and validly existing and is in good standing under the laws of the state of its formation. Furthermore, Seller represents that it has the requisite power (whether as a corporation, partnership, sole proprietorship or otherwise) to carry on its business as now being conducted, including the full authority to enter into this Agreement and any Purchase Contract contemplated hereunder.

6.7 The undersigned Seller represents and warrants to Buyer that Seller is a "MERCHANT" (as that term is used in the Kansas Uniform Commercial Code (UCC) with respect to the commodity that is the subject matter of any Purchase Contract hereunder.

7. DELIVERY

- 7.1 Except with Buyer's written consent, Commodities delivered to one of Buyer's elevators shall be first applied in accordance with this Agreement to any Cash Contracts or Purchase Contracts in order of their delivery period commencing with the oldest Purchase Contract being applied first. Buyer reserves the right on all purchases to call the Seller for the shipment and/or delivery of contracted grain during business hours during the agreed upon shipment period.
- 7.2 Buyer reserves the right to reject or apply discounts to each Cash Contract and Purchase Contract price, if the quality of the Commodities sold thereunder is less than required under such Cash Contract or Purchase Contract, or to unload the same without first notifying Seller.
- 7.3 Any commodity, irrespective of grade, which is tagged, seized, condemned or declared unfit by any state or federal agency may not be applicable to any Cash Contract or Purchase Contract, and ownership of such Commodity will remain with the Seller. Furthermore, any change in the price or other terms of any Purchase Contract caused by government regulation will entitle Buyer to cancel any unshipped portion thereof without penalty.

8. ALTERNATE DELIVERY POINTS

Buyer shall have the right to designate any reasonable alternate delivery points if necessary to expedite or facilitate Seller's performance, but shall have no obligation to do so. Increased shipping charges under this provision shall be for Seller's account and reductions in shipping charges shall be for Buyer's account; provided, however, that if the designated alternate delivery points are solely for Buyer's convenience, increased shipping charges shall be for Buyer's account.

9. PREMIUMS AND DISCOUNTS

Any applicable tariffs, premiums and discounts are subject to change all to be applied at the Delivery Point and time of delivery at Buyer's posted rates at that location.

10. FREIGHT

- 10.1 Any advance in applicable freight rates taking effect before fulfillment of any underlying Purchase Contract or Cash Contract shall be for Seller's account.
- 10.2 All excess freight or other charges occasioned by cars or trucks, being loaded below the minimum or over the load limit to be borne by the Seller.

11. SELLER'S ASSURANCE

- 11.1 Seller hereby authorizes Buyer to conduct such due diligence inquiry of Seller's integrity and financial resources as Buyer may reasonably undertake, and Buyer shall have the right to require Seller to submit verifiable financial statements, satisfactory guarantees, security interests, assignments, land rental agreements or other commitment, bond, letter of credit, or surety as a condition precedent to any Purchase Contract or Cash Contract hereunder.
- 11.2 Seller hereby grants Buyer a security interest in and to Seller's growing crops described in any Purchase Contract or Cash Contract hereunder as necessary to ensure Seller's performance and Seller grants buyer

a security interest in and to all stock and equity in Buyer, and Seller authorizes Buyer to file any UCC #1 financing statement as necessary to perfect such security interest.

- 11.3 Buyer shall have the right, when it has reasonable grounds for insecurity with respect to the performance of Seller, to demand adequate assurance of Seller's performance. As adequate assurance, Buyer may demand assignment of crop insurance and/or payment from Seller up to an amount equal to the difference between the Purchase Contract price and the then prevailing market price for the commodity thereunder. Seller shall provide such adequate assurance within 48 hours of the receipt of the demand therefore. Seller's failure to provide adequate assurance as demanded by Buyer shall constitute Seller's repudiation and default of this Agreement and any Purchase Contracts hereunder, and Buyer shall have the right to pursue all legally available remedies, including but not limited to recovery of its losses and damages.
- 11.4 TMA expressly reserves the right to cancel such Purchase Contract(s) without liability to Buyer because of (a) the insolvency or financial condition of Seller, (b) the commencement of a case under the Bankruptcy Act 11, U.S.C. §§101 et seq., (c) the appointment of or taking of possession by a trustee in a case under 11 U.S.C. §§101 et seq. or by a custodian before such commencement, (d) any breach or default by Seller of the terms and conditions of this Agreement or any Purchase Contract hereunder.
- 11.5 Without limiting Buyer's right to pursue any and all other rights and remedies available to it, it is expressly agreed that, to the fullest extent permissible by law, this Agreement is subject to Buyer's right to set off any debts and/or claims against Seller, including, but not limited to those debts and/or claims that are exempt from a bankruptcy stay as provided in 11 U.S.C. §362(b).
- 11.6 Acceptance of any delivery of Commodities by Buyer after breach of the terms and conditions of this Agreement or any Purchase Contract or Cash Contract hereunder by Seller shall not waive any rights or remedies accruing to Buyer as a result of such prior breach.

12. INCIDENTS OF DEFAULT

- 12.1 Buyer shall be deemed in default of this Agreement in the event of Buyer's insolvency, bankruptcy, dissolution, the appointment of a receiver under state or federal law, or breach of the terms and conditions of this Agreement.
- 12.2 Seller shall be deemed in default of this Agreement and of any and all Purchase Contracts hereunder in the event of Seller's default of any Purchase Contract hereunder, or Seller's admission of such default, insolvency, bankruptcy, violation of the terms and conditions of this Agreement, or the death of an individual Seller, or the voluntary or involuntary dissolution of Seller as a corporation, limited liability company, partnership, limited partnership, trust or other not natural person.

13. BUYER'S REMEDIES

- 13.1 In the event Seller fails to deliver the amount of grain as agreed under this Agreement and any Purchase Contract or Cash Contract hereunder, TMA's current Over Fill/Under Fill Policy shall apply.
- 13.2 Seller may also be subject to a cancellation charge, to be determined by TMA, for failure to deliver contracted bushels within the shipment period stated previously. Said differential liability shall be immediately due and payable in cash.

13.3 Upon breach of any Purchase Contract or Cash Contract hereunder by Seller or upon termination of such Contract by Buyer, Buyer, at its option may: (a) repurchase the product on the open market for Seller's account, and Seller will pay Buyer any loss and incidental expenses resulting therefrom, or (b) require Seller to pay the difference between the contract price and the market price on the date of cancellation, or (c) without further obligation, cancel the Purchase Contract in its entirety. Notwithstanding the foregoing, Buyer may pursue any remedy allowed by law, and (i) Buyer will be entitled to collect from Seller reasonable attorneys' fees and costs incurred by Buyer in connection with enforcement of any Purchase Contract hereunder by reason of Seller's breach and (ii) Buyer will be entitled to collect from Seller interest on any amount owing to Buyer by reason of Seller's breach, at the rate of 1 ½ % per month until paid.

14. AMENDMENT AND ASSIGNMENT

None of the terms and conditions contained in this Agreement may be added to, modified, superseded, or otherwise altered or amended except with the written consent of an authorized representative of Buyer. This Agreement may be assigned by Buyer without Seller's consent provided that any assignee assumes the Buyer's warranties above. This Agreement shall not be assigned in whole or in part by Seller without the prior written consent of Buyer.

15. BINDING EFFECT

Except or otherwise specifically provided herein this Agreement and any and all Contracts hereunder shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, trustees, successors and assigns of the parties hereto.

16. SAVING CLAUSE

Any provision of this Agreement that may be held unenforceable will not affect any other provisions of this Agreement.

17. NGFA® TRADE RULES TO APPLY

Except as otherwise provided herein, this Agreement and any Purchase Contracts or Cash Contracts hereunder shall be subject to the Trade Rules of the National Grain and Feed Association (NGFA), which are incorporated herein.

18. NGFA® ARBITRATION OF DISPUTES

The parties to this Agreement agree that except as otherwise provided above the sole remedy for the resolution of any and all disagreements or disputes arising under or related to this Agreement and any Purchase Contracts or Cash Contracts hereunder shall be through arbitration proceedings before the National Grain and Feed Association (NGFA) or Kansas Grain and Feed Association pursuant to the NGFA® Arbitration Rules. The decision and award determined through such arbitration award are binding and may be entered and enforced in any court having jurisdiction thereof.

19. MISCELLANEOUS

- 19.1 In the case of grain or another Commodity sold by Seller to Co-op hereunder pursuant to a Cash Contract, Seller and Co-op agree and acknowledge that the payments from Co-op to Seller for that grain constitute "per-unit retain allocations" as that term is defined in Section 1388(f) of the Internal Revenue Code of 1986, as amended, or any successor thereto (the "Code"), 26 U.S.C. 1388(f), and, as a consequence, Seller is not permitted to include such payments in its computation of the domestic production activities deduction for federal income tax purposes made pursuant to Section 199 of the Code, 26 U.S.C 199.
- 19.2 TMA reserves the right to demand a guaranty or other assurance as a condition precedent to any Purchase Contract or Cash Contract hereunder.
- 19.3 Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing, by mail, or by overnight delivery, registered or certified, postage prepaid with return receipt requested. Mailed and overnight delivery notices shall be addressed to Buyer at the address appearing in the introductory paragraph of this Agreement and to Seller at the last provided to Buyer by Seller, but each party may change such address by written notice in accordance with this Section. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of three days after mailing, and notice sent by overnight delivery will be deemed communicated as of the first business day after sending.
- 19.4 This Agreement and any Contract may be executed or amended by facsimile or electronic signature or electronic or written confirmation and in any number of counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.
- 19.5 Section headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretations of this Agreement or any of its provisions.
- 19.6 Jurisdiction and venue regarding any and all disputes hereby will be with the State of Kansas.

By accepting Purchase and Cash Contracts hereunder TMA for itself, and as agent for each Co-op above named, agrees to be bound to the terms of this Master Marketing Agreement.

WITNESSETH that Seller has hereunto subscribed by and through its duly authorized representative this ____ day of _____, 20__.

Account Number _____

Name _____

Address _____

SELLER'S SIGNATURE