

**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 ("Company"), and the undersigned producer ("Producer"). This Agreement is effective as of the date it is approved and accepted by the Company.

PREAMBLE

WHEREAS, the Company is organized and operated as a cooperative under Minn. Stat. Chapter 308A for the mutual benefit of all producers 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 Producer as seller and Company as buyer of soybeans and is an agricultural marketing contract under Minn. Stat. §308A.205. The parties are also related under Articles of Incorporation ("Articles") and Bylaws ("Bylaws") of the Company. Producer acknowledges that Articles, Bylaws and other reasonable policies, rules and regulations adopted by Company's Board of Directors ("Board") constitute a contract between Company and each producer of Company, as fully as though each producer had individually signed a separate instrument containing such terms. Producer acknowledges receipt of copies of the Articles and Bylaws.

NOW, THEREFORE, Producer and Company agree as follows:

1. Appointment of Company as Agent. Producer appoints and designates Company to act as Producer's sole agent in the purchase, sale and marketing of the soybeans committed to Company under this Agreement and any supplements, extensions, renewals, substitutions or modifications of this Agreement.
2. Soybeans Committed to Company. Producer agrees to commit and deliver to Company, at Company's designated facility(ies), one (1) or more bushels of soybeans during each processing year for each share of Class A Preferred Stock of the Company owned by the Producer. 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) multiplied by the number of Class A Shares owned. For purposes of this Agreement, a processing year shall start on September 1 of each year and shall end on August 31 of the following year, until otherwise changed by the Company.

In the event that Producer's production is reduced so that Producer is unable to deliver the number of bushels described above, Producer 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 Producer. If Producer cannot deliver the soybeans committed, Producer agrees that Company, at its option, may assist Producer for the purpose of obtaining the soybeans in Producer's name and may charge to Producer 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 Producer's total soybean production has increased.

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

If the total number of bushels contracted for sale and delivery to Company by all producers under similar 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 Shares owned by each Producer, either on a permanent or temporary basis, so that the total number of bushels committed to Company by all producers 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 Producer, so that the total number of bushels committed to Company by all producers will fulfill Company's anticipated processing needs. Company will notify Producer of any changes in the number of bushels to be delivered by Producer to Company in any processing year.

4. Delivery. Producer agrees to deliver Producer's soybeans committed in accordance with the delivery schedule prepared by Company for all producers, and agrees that the risk of loss for the soybeans shall remain with Producer until Producer's soybeans are delivered to and accepted by Company. Company shall accept soybeans either by:
 - a) Receiving and grading Producer's soybeans at the Company's designated facility(ies); or
 - b) Notifying Producer 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.

5. Forward Contracting. Company, at the discretion of the Board, may offer forward contracting opportunities to Producer. 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 Producer 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 Producer with all costs relating to the rejection and return charged to Producer; or
 - b) Accepted with deductions and allowances made and charged against Producer because of the inferior grade, quality or condition at delivery.

If, in Company's sole opinion, Producer continually fails to deliver commercially acceptable soybeans, Company may terminate this Agreement and Producer'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. Producer 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 producers pursuant to the provisions of the Bylaws.

8. Payments to Producer. Company shall process soybeans in a manner it deems to be in the best interests of Company and all producers 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 Producer as follows:
 - a) Soybean Price and Payment. Company shall pay Producer 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. Producer 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 Producer, after approval by the Company's lender(s), which will further compensate Producer for value added to Producer's soybeans during processing, and still allow Company to retain its financial integrity. Producer agrees that such payments are earned 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. Producer shall be entitled to allocation of earnings from the Company in accordance with Company's Bylaws.
9. Producer's Warranty. Producer warrants to Company that Producer is an agricultural producer and 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 after the date determined by the Board as the date on which Company's soybean processing plant begins operating at a level of efficient operation. This date is referred to as the "Effective Operation Date." The Effective Operation Date will be communicated to Producer by Company. Until the Effective Operation Date is determined by the Board, which determination shall be in the sole discretion of the Board, Company shall have no obligation to accept soybeans from Producer.

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 three (3) year obligation for Producer and Company under this Agreement.
 - b) Termination. 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 Operation Date. If such notice is given, Producer 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 Operation Date. If Producer gives notice after any number of renewal terms, Producer and Company shall have three (3) years remaining under this Agreement.

11. Remedies. The parties agree that the following remedies shall apply:

- a) Producer's Remedies. If Company fails to pay any payment for soybeans delivered and accepted as provided in paragraph 8 of this Agreement, Producer may recover the payments from Company. Producer 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 Producer may resell the soybeans and recover the difference between the resale value and the payments Producer 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, Producer may not withhold future scheduled deliveries. Producer may withhold future scheduled deliveries only in the event that the Company fails to pay Producer the payments owed Producer as provided in paragraph 8 of this Agreement.
- b) Company's Remedies. If Producer 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 Producer. 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 Producer under this Agreement or should such nonperformance result in the termination of Producer's membership in the Company, the Producer agrees that, in addition to any other remedies available to the Company, the amount of damages Producer may become obligated to pay the Company shall be credited to the Company against the Producer's stock or other evidences of equity. The Producer 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 Producer for any breach or threatened breach of this Agreement.
- c) Producer's Termination of Membership. Producer acknowledges Producer's status as a member of Company is subject to termination for cause by action of the Board as provided in the 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 Producer 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 Producer'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 the Delivery 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 the Delivery Agreement until the dispute is resolved.

12. Compliance with the Company's Governing Instruments. Producer accepts and agrees to conform to and abide by the provisions of the Articles of Incorporation and Bylaws of the Company and all amendments thereto during the term of this Agreement. In addition, Producer agrees that this Agreement shall constitute written consent that: (1) the amount of any distributions with respect to the Producer's patronage during a year in which the Producer patronized the Company on the basis of soybeans delivered to the Company, made by qualified written notices of allocation as defined in Subchapter T of the Internal Revenue Code of 1986, as (hereinafter cited by Section number only) and received by the Producer from the Company, will be taken into account by the Producer at its stated dollar amount in the manner provided in Section 1385 in the taxable year in which such qualified written notice of allocation is received; and (2) upon a determination by the Board of Directors that a unit retain is to constitute a qualified per unit retain (as defined in Subchapter T of the Internal Revenue Code of 1986, as amended), the Producer will take the per unit retain certificate issued in connection therewith into account at its stated dollar amount in the manner provided in Section 1388 in the taxable year in which the per unit retain certificate is received.
13. Security Interests. If Producer grants a security interest in Producer'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 Producer and shall be charged against the amount owing to Producer by Company. The Producer shall inform the Company of all security interests granted in Producer'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 Producer 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 Producer's soybeans as Company has informed Producer 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.
16. Assignment. Producer may not assign this Agreement without Company's prior written consent, and then only to a producer as defined in the Bylaws. Company may not assign this Agreement without Producer's prior written consent, except that Company may assign, without Producer'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 Producer at Producer'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 members who have executed a Uniform Marketing and Delivery Agreement.

Member Number _____

**UNIFORM MARKETING AND DELIVERY AGREEMENT
SIGNATURE PAGE**

PRODUCER:

Dated the ____ day of _____, 200__

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 Producer.

Dated this ____ day of _____, 200__.

COMPANY:

MINNESOTA SOYBEAN PROCESSORS

By: _____

Its: _____

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MINNESOTA SOYBEAN PROCESSORS