

**PRAIRIE PRIDE, INC.**  
**UNIFORM MARKETING AGREEMENT**

This Uniform Marketing Agreement (“this Agreement”) is made and entered into by and between Prairie Pride, Inc., a Missouri cooperative association (“Prairie Pride”), and the undersigned member of Prairie Pride (“Member”). This Agreement is effective as of the date it is approved and accepted by Prairie Pride.

**PREAMBLE**

**WHEREAS**, Prairie Pride is organized and operated as a nonstock cooperative association under Chapter 274 of Missouri statutes, for the mutual benefit of all members of Prairie Pride. Prairie Pride is organized with the intent of developing, owning, and operating a soy extraction and biodiesel production plant (“Plant”); and

**WHEREAS**, this Agreement records legal relations between Member as seller and Prairie Pride as buyer of soybeans and is a contract between Member and Prairie Pride as authorized by and under Chapter 274 of the Missouri statutes. Member has entered into this Agreement as a condition to becoming a member of Prairie Pride in accordance with and subject to the Articles of Incorporation (“Articles”) and Bylaws of Prairie Pride. Member acknowledges that this Agreement includes as part of its terms each provision of the Articles, Bylaws and other reasonable policies, rules and regulations adopted by Prairie Pride’s Board of Directors (“the Board”) pursuant thereto, as fully as though each provision was expressly set forth in this Agreement. By signing this Agreement, Member acknowledges receipt of a copy of the Articles and the Bylaws.

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

**NOW, THEREFORE**, Member and Prairie Pride agree as follows:

**1. Definitions.**

- a. “*Processing Year*” is the twelve month period commencing October 1 of each year and ending on September 30 of the following year, unless otherwise changed by Prairie Pride.
- b. “*Actual Market Price*” is the average actual market price per bushel of soybeans during the Delivery Period at the Plant, as determined by Prairie Pride’s Board of Directors in its sole discretion, with due consideration given to the average price for soybeans payable during the Delivery Period by the soybean pool purchasing program established by Prairie Pride to secure soybeans on behalf of its members and other market-related factors determined by the Board to be relevant in determining the actual market price of soybeans at the Plant, including without limitation transportation and handling costs and other relevant factors.
- c. “*Committed Bushels*” is the number of bushels of soybeans that Member has committed to deliver annually to Prairie Pride hereunder.
- d. “*Delivery Period*” is the delivery period established for a Processing Year as determined by the Board in its discretion.

- e. “*Estimated Market Price*” is the per bushel price of soybeans established by the Board of Directors, in its discretion, prior to the beginning of each Delivery Period.
2. **Appointment of Prairie Pride as Agent.** Member appoints and designates Prairie Pride to act as Member’s sole agent in the purchase, sale, processing, and marketing of the soybeans committed to Prairie Pride under this Agreement and any supplements, extensions, renewals, substitutions or modifications of this Agreement.
3. **Soybeans Committed to Prairie Pride.** Member agrees to commit and deliver annually to Prairie Pride or its designated grain handling agent, at Prairie Pride’s Plant(s) or at locations designated by Prairie Pride, two thousand (2,000) bushels of soybeans for each Unit held by the Member (the “Committed Bushels”), in accordance with the delivery periods and delivery schedules established in accordance with this Agreement. Member understands and agrees that Prairie Pride may procure additional soybeans for and on behalf of Member to market through Prairie Pride (in addition to the 2,000 bushels per Unit committed by Member hereunder), provided that any such additional procurement and marketing shall be done uniformly on behalf of all Members pro rata based on their Committed Bushels, and provided further that any such additional procurement shall be done at no out-of-pocket costs or charges to Member.

If Member’s production is reduced so that Member is unable to deliver the Committed Bushels under this Agreement, Member is required to obtain the soybeans from another source, if available, and deliver the Committed Bushels to Prairie Pride, as if the soybeans had been produced by Member. Member will be excused from delivery without penalty only in the event of force majeure conditions beyond Member’s control consisting of drought, hail, uncontrollable infestation or other natural conditions specifically determined by the Board of Directors. If Member cannot deliver the Committed Bushels, Member agrees that Prairie Pride, at its option, may act as Member’s agent for the purpose of obtaining the soybeans in Member’s name and may charge to Member all expenses and incidental costs in obtaining and delivering the soybeans to Prairie Pride’s designated locations.

Prairie Pride has no obligation to accept for marketing any soybeans in an amount greater than that specified above, regardless of whether Member’s total soybeans production has increased.

4. **Adjustments to Delivery Dates and Amount of Soybeans Committed.** Member acknowledges that certain circumstances may affect the total number of bushels of soybeans that Prairie Pride may require for marketing and processing in any given year. Accordingly, the Prairie Pride reserves the right to adjust delivery dates of the Member. Member also acknowledges and agrees that the Board may decrease the number of bushels of soybeans committed by Member on a pro rata basis with all other members.

If the total number of bushels contracted for sale and delivery to Prairie Pride by all members under similar agreements exceeds the number of bushels that Prairie Pride determines that it needs during a Processing Year due to an over-subscription of soybeans or due to a temporary foreseen or unforeseen processing or marketing problem, the Board has the right to reduce the committed number of bushels on a pro rata basis based upon the number of bushels committed by each Member, either on a permanent or temporary basis, so that the total number of bushels committed to Prairie Pride by all members will fulfill Prairie Pride’s anticipated processing needs. Prairie Pride will notify Member of any changes in the number of bushels to be delivered by Member to Prairie Pride in any Processing Year. The Prairie Pride’s decision not to accept all or a portion of the bushels to be sold and delivered in any Processing Year does not affect, in any way, Member’s delivery obligation for future Processing Years.

5. **Delivery.** Prairie Pride may establish quarterly, trimester, semi-annual or annual delivery periods. The annual delivery obligation of Member under this Agreement shall be prorated over the delivery periods established by Prairie Pride if the delivery periods are less than 12 months. Prairie Pride may establish a

delivery schedule for all member bushels contracted under similar agreements for a delivery period, based on an initial lottery system or other equitable system. Member understands and agrees that the setting and scheduling of delivery periods and deliver scheduler is subject to change by the Board. Member agrees to deliver Member's Committed Bushels in accordance with the delivery schedule and agrees that the risk of loss for the soybeans remains with Member until Member's soybeans is delivered to, and accepted by, Prairie Pride. Prairie Pride will accept soybeans either by:

- (1) receiving and grading Member's soybeans at Prairie Pride's designated locations; or
- (2) notifying Member that Prairie Pride has accepted soybeans held in storage other than at Prairie Pride's designated locations.

The Board may modify the above process if it determines that some other process will allow Prairie Pride to more efficiently accept, process, or market its members' soybeans. Prairie Pride may establish, or contract with a third-party to establish, standardized procedures for members who wish to meet their soybean commitment and delivery obligations to Prairie Pride through open-market purchases or other efficiency-seeking methods and procedures. Member understands that reasonable administrative fees for using such standardized procedures or "pool purchasing programs" will be charged to Member if Member elects to use such program, and Member agrees to abide by the rules and regulations established in connection with any such pool purchasing programs.

6. **Product Quality Standards.** All soybeans to be delivered by Member to Prairie Pride shall be No. 1 soybeans and "commercially acceptable product" in accordance with Federal and State standards and in accordance with the standards set by Prairie Pride. Product of substandard quality, as determined by Prairie Pride, will, at Prairie Pride's option, be either:

- (1) rejected and returned to Member with all costs relating to the rejection and return charged to Member; or
- (2) accepted with deductions and allowances made and charged against Member because of the inferior grade, quality or condition at delivery.

If, in Prairie Pride's sole opinion, Member continually fails to deliver commercially acceptable soybeans, Prairie Pride may terminate this Agreement and Member's membership in Prairie Pride in accordance with Prairie Pride's Articles and Bylaws.

Prairie Pride will make rules and regulations for grading the quality of soybeans and to standardize applicable discounts and premiums and the manner of handling and shipping soybeans. Member agrees to observe any such rules and regulations and accept the grading established by Prairie Pride. All disputed samples will be submitted to an official laboratory for grading and such official grade will become the determining grade. If there is a grade change in favor of the Member, the Prairie Pride will pay for the sample. If the grade is not changed, Member will pay for the sample.

7. **Use of Soybeans and Soybeans Products.** Prairie Pride has the sole and complete discretion in all phases of the use of the soybeans, including any accepting, processing and marketing activity including, but not limited to, commingling, pooling or pledging soybeans once accepted and pledging any products of the soybeans as security for loans to any lending institution or other lender.

Prairie Pride may, in its sole discretion, market any soybeans delivered under this Agreement on an open market basis if the Plant cannot handle all of the soybeans committed under Agreements. The proceeds

from the soybeans sold on the open market will be added to all other proceeds of Prairie Pride and allocated to members as provided in the Bylaws.

8. **Payments to Member.** Prairie Pride agrees to pay Member for all Committed Bushels delivered to Prairie Pride by or on behalf of Member in accordance with this Agreement, subject to the discounts described in this Agreement, 80% of the Estimated Market Price within seven (7) business days from delivery and acceptance of the soybeans to Prairie Pride. **Member understands that upon Prairie Pride's acceptance of delivered soybeans, title to the delivered soybeans will have transferred from Member to Prairie Pride and Member will have relinquished all rights to the delivered soybeans even though payment will not be made for seven (7) business days.**

Within thirty days following the end of each Delivery Period, Prairie Pride will pay Member an additional payment correcting the price paid on the Committed Bushels delivered to and accepted by Prairie Pride during the Delivery Period to equal the Actual Market Price for the Delivery Period. The payment of this additional payment is subject to and conditioned upon compliance by Prairie Pride with its loan covenants with its primary senior lender as determined by the Board; provided, however, that the price paid for Committed Bushels during any Delivery Period shall equal at least 80% of the Actual Market Price. If the price paid on delivery of Committed Bushels delivered and accepted during the Delivery Period (excluding any freight allowances or premiums paid) exceeds the Actual Market Price for a Delivery Period, then the amount of the overpayment will be deducted from the next Delivery Period's Actual Market Price, either at the time of the estimated payment or at the time of any additional payment, in a manner and procedure determined by the Board in its sole discretion.

The Board may establish uniform policies and procedures (but shall not be obligated to establish) for freight allowances to be paid to Prairie Pride's members (and thus Member), on such terms and conditions the Board may determine in its sole discretion.

In addition to the above payments for grain, Member is entitled to payments from earnings of Prairie Pride as patronage dividends for all soybeans delivered by or on behalf of Member under this Agreement, in accordance with Prairie Pride's Articles and Bylaws. All payments to Member hereunder are subject to Prairie Pride's Articles and Bylaws.

9. **Member's Warranty.** Member warrants to Prairie Pride that all soybeans delivered to Prairie Pride under this Agreement is free and clear of all liens, security interests or encumbrances whatsoever. If Member grants a security interest in any soybeans to be delivered hereunder, Member shall inform Prairie Pride in writing at or before delivery of the soybeans of any security interest it has granted in such soybeans. Member agrees that Prairie Pride shall have the right, but not the obligation, to name the lienholder or other secured party with interest in the soybeans as a payee on the payment for the soybeans, in accordance with applicable law.

10. **Term of Agreement.**

- a) *Five Year Initial Term; Subsequent Three Year Evergreen Terms.* The initial term of this Agreement commences as of the date it is approved and accepted by Prairie Pride and shall continue for five (5) consecutive years after the date Member's obligation to deliver soybeans under this Agreement begins. Member's obligation to deliver soybeans under this Agreement shall begin upon receipt of written notice from Prairie Pride, as determined by Prairie Pride's Board of Directors. This date is referred to as the "Starting Delivery Date." Until the Starting Delivery Date, Prairie Pride has no obligation to accept soybeans from Member.

On the third anniversary of the Starting Delivery Date, this Agreement will automatically renew for a successive three-year term unless either party gives notice of termination as provided below. Each succeeding year this Agreement will be renewed in the same manner so that, unless notice of termination is given, there will always be a three year ongoing obligation for Member and Prairie Pride under this Agreement.

- b) *Notice Termination.* Either party has the right to terminate this Agreement at the end of the initial term and each three-year renewal term by giving written notice to the other party of such termination as follows:
  - (1) Notice of termination of the initial 5-year term must be given not more than 180 days nor less than 30 days before the third anniversary of the Starting Delivery Date. If such notice is given, Member and Prairie Pride will have two (2) years remaining under this Agreement instead of the three-year renewal term.
  - (2) Notice of termination after each renewal term must be given not more than 180 days nor less than 30 days before the next anniversary of the Starting Delivery Date. If Member gives notice after any number of renewal terms, Member and Prairie Pride will have two years remaining under this Agreement.
- c) *Automatic Termination.* This Agreement shall terminate automatically upon the occurrence of any one or more than one of the following events: Prairie Pride ceases operations permanently; Prairie Pride files a petition, either voluntarily or involuntarily, for protection under the bankruptcy laws; Prairie Pride makes an assignment of its assets for the benefit of creditors, or is adjudged insolvent, or has a receiver appointed for it, or has a private or public foreclosure action brought against it or a majority of its personal or real property; or Prairie Pride otherwise enters into an agreement with its lender or lenders to surrender a majority of its personal or real property assets.

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

- a) *Member's Remedies.* If Prairie Pride fails to pay any payment for soybeans delivered and accepted as provided in paragraph 8 of this Agreement, Member may recover the payments from Prairie Pride. Member may not claim or recover any incidental or consequential damages for non-payment. If Prairie Pride rejects any soybeans tendered for delivery, Prairie Pride will not be liable for damages, provided Prairie Pride 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 Member may resell the soybeans and recover the difference between the resale value and the payments Member would have received as determined under paragraph 8 of this Agreement, less per unit retains, and less expenses saved in wrongful rejection. If Prairie Pride rejects any soybeans tendered for delivery, Member may not withhold future scheduled deliveries. Member may withhold future scheduled deliveries only in the event that Prairie Pride fails to pay Member the payments owed Member as provided in paragraph 8 of this Agreement.
- b) *Prairie Pride's Remedies.* If Member fails to make delivery, other than for force majeure conditions as described in paragraph 3 of this Agreement, or Prairie Pride rejects in good faith any tender of delivery under this Agreement, Prairie Pride may in good faith and without unreasonable delay pursue the remedies in this paragraph. Prairie Pride may make any reasonable purchase of soybeans in substitution for that due from Member. Prairie Pride is entitled to injunctive relief or a decree of specific performance in the event of any breach of this Agreement. Prairie Pride will also be entitled to, as liquidated damages, an amount equal to 25% of the market value of the soybeans which Member has failed to furnish or improperly furnished. The market value will be determined by using the highest

price for soybeans at the delivery point that was designated by Prairie Pride during the 30-day period following Member's breach of this Agreement. In the event of the non-performance by Member under this Agreement, or should such nonperformance result in the termination of Member's membership in Prairie Pride, Member agrees that, in addition to any other remedies available to Prairie Pride, the amount of damages Member may become obligated to pay Prairie Pride will be credited to Prairie Pride against Member's Units, other evidences of equity, or other account balances due to Member. Member agrees to pay all reasonable legal costs and expenses, including attorneys' fees and court costs, incurred by Prairie Pride in any action brought by Prairie Pride against Member for any breach or threatened breach of this Agreement.

- c) *Member's Termination of Membership.* Member acknowledges Member's status as a member of Prairie Pride is subject to termination by action of the Board as provided in the Bylaws. Membership termination is a material breach by Member of this Agreement, entitling (but not obligating) Prairie Pride to cancel this Agreement effective as of the date of termination of membership. Termination of membership or cancellation of this Agreement does not waive, affect or limit Prairie Pride's remedies as provided in paragraph 11.b) above, and may not be construed as a renunciation or discharge of any claim for an antecedent breach.
- d) *Dispute Resolution.* If there is any dispute or controversy between the parties arising out of or relating to this Agreement, the parties agree that such dispute or controversy will be arbitrated in accordance with proceedings under NGFA Arbitration Rules, and such arbitration will be the exclusive dispute resolution method under this Agreement. The decision and award determined by such arbitration will 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 will 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 will 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 Prairie Pride's Governing Instruments.** Member accepts and agrees to conform to and abide by the provisions of the Articles of Incorporation and Bylaws of Prairie Pride and all amendments thereto during the term of this Agreement. In addition, Member agrees that this Agreement constitutes written consent that: (1) the amount of any distributions with respect to Member's patronage during a year in which Member patronized Prairie Pride on the basis of soybeans delivered to Prairie Pride, 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 Member from Prairie Pride, will be taken into account by Member 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), Member 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. Member understands the tax significance of the foregoing consent and agrees that this Agreement constitutes a statement of the significance of the foregoing consent.
13. **Security Interests.** If Member grants a security interest in Member's soybeans during the term of this Agreement, Prairie Pride has the right, after acceptance of the soybeans by Prairie Pride, to pay all or a part of the obligation underlying the security interest, or to issue a joint payment check. Such payment will be for the account of Member and will be charged against the amount owing to Member by Prairie Pride. Member must inform Prairie Pride of all security interests granted in Member's soybeans by disclosing all

security interests as provided by state or federal law to Prairie Pride, and if not provided, then separately in writing.

14. **Inability of Prairie Pride to Perform.** In the case of fire, 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 Prairie Pride's control that affects the conduct of Prairie Pride's business to the extent of preventing or unreasonably restricting Prairie Pride's receiving, handling, processing, packaging or sales operations, Prairie Pride is excused from performance during the period that Prairie Pride's business or operations are so affected. Prairie Pride may, during such period, accept such portion of Member's soybeans as Prairie Pride has informed Member that Prairie Pride can in its judgment 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.** Member may not assign this Agreement without Prairie Pride's prior written consent, and then only to a member as defined in the Bylaws. Prairie Pride may not assign this Agreement without Member's prior written consent, except that Prairie Pride may assign, without Member's prior written consent, this Agreement as collateral security for any or all loans made to Prairie Pride (but subject to the automatic termination provisions above).
17. **Waiver of Breach.** No waiver of a breach of any of the provisions contained in this Agreement will 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 must be construed as a whole, and not strictly for or against any party. If 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 will in no way affect any other term, covenant or condition of this Agreement.
19. **Notices.** All notices from one party to another must be in writing and dispatched by ordinary mail, postage prepaid, to Prairie Pride at its designated address and to Member at Member's address as it appears on the books of Prairie Pride.
20. **Governing Law.** This Agreement will be governed by and enforced in accordance with the laws of the State of Missouri.
21. **Successors and Assigns.** Subject to the other provisions of this Agreement, all of the terms, covenants and conditions of this Agreement inure to the benefit of and are binding upon the parties, their successors and permitted assigns.
22. **Modification.** This Agreement may be amended or modified upon a majority vote of Prairie Pride's members present at a duly held member meeting at which a quorum is present and the notice of which stated as one if its purposes the consideration of amendments to the uniform marketing agreement.
23. **Producer Certification.** Member certifies that Member is an agricultural producer within the meaning of Prairie Pride's Articles of Incorporation and agrees to provide annual certification of such fact if requested by Prairie Pride.

Prairie Pride, Inc.

Uniform Marketing Agreement

Member Number \_\_\_\_\_

**UNIFORM MARKETING AGREEMENT  
SIGNATURE PAGE**

This Uniform Marketing Agreement (“this Agreement”) is made and entered into by and between Prairie Pride, Inc. a Missouri cooperative association (“Prairie Pride”), and the undersigned member of Prairie Pride (“Member”).

Prairie Pride and Member agree that this Agreement includes as part of its terms the preamble and each provision of the Uniform Marketing Agreement attached as *EXHIBIT S-2* to Prairie Pride’s Supplement to Confidential Disclosure Statement dated December 12, 2008, regarding Prairie Pride’s offer and sale of Units, as fully as though the preamble and each provision were expressly set forth in this Agreement and Signature Page. In consideration of the mutual terms and conditions contained in this Agreement, including the provisions incorporated herein by reference, Prairie Pride and Member agree that Member shall deliver soybeans to Prairie Pride, and Prairie Pride shall accept soybeans from Member, on the terms and conditions herein provided.

**IN WITNESS WHEREOF**, Prairie Pride and Member have executed this Agreement as of the date set forth below, to be effective as of the date this Agreement is approved and accepted by Prairie Pride.

**MEMBER:**

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 PRAIRIE PRIDE, INC.**

Prairie Pride, Inc. hereby accepts the above Uniform Marketing Agreement from Member.

**PRAIRIE PRIDE, INC.**

Dated this \_\_\_\_ day of \_\_\_\_\_, 200\_.

By: \_\_\_\_\_

Its: \_\_\_\_\_