

BASIS FIXED GRAIN PURCHASE CONTRACT

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This is an agreement that the Seller _____ of _____ on _____
(Seller's Name) (Seller's Address) (Date)

has sold and agreed to deliver to the Buyer, _____ at _____
(Buyer's Address)

a net quantity of _____ (bu. cwt.) of U.S. _____ of _____ at _____ (% Protein) (%Moisture)
(Circle One) (Grade and Kind) (Commodity)

at _____ for delivery _____. The purchase price per bushel has not yet been set by Seller.
(Delivery Location) (Specify Time Period for Delivery)

The purchase price will be a basis of _____ ¢ the _____ futures contract at the time Seller
(Over/Under) (CBOT/MGE/KCBT) (Month/Year) (Commodity)

gives notice to Buyer to set the price. The price must be set during trading hours of the Exchange on which the basis is fixed, not later than _____.
(Date)

Unless other terms have been agreed upon prior to said date, Buyer is authorized to fix the futures price (thereby establishing the purchase price) during the next trading session if Seller has not priced the grain by the date indicated. Buyer will advance to Seller _____% (not to exceed 80%) of the market value of the grain upon completion of delivery. If the market value of the grain drops below 110% of the advance amount, partial repayment of the advance to maintain the 10% differential will be required from Seller. If Seller does not provide the required funds on short notice, this contract may be liquidated by Buyer, and Seller will be liable for any deficit. Settlement will be made to Seller when the futures price is fixed.

ADDITIONAL TERMS AND CONDITIONS

GRADE AND QUALITY SPECIFICATIONS: The quality of grain delivered under this contract shall be determined at the place and time of delivery. Buyer's weights and grades to govern. All deliveries made under this contract shall be of the grade and quality specified herein. Buyer reserves the right to reject individual shipments not complying with this provision. Refusal by the buyer to accept delivery of grain for this reason shall not release the seller from this contract.

TITLE: Title to the grain shall pass to the Buyer at the time of delivery even though no price has been determined.

MERCHANTABLE QUALITY: All grain delivered under this contract shall be of merchantable quality, unadulterated, and unrestricted from movement in interstate commerce within the meaning of the federal Food, Drug and Cosmetics Act, Environmental Protection Agency tolerances, the U.S. Grain Standards Act and applicable state law. Seller expressly warrants that this grain was produced in the continental United States. *Seller shall not deliver, and the Buyer has the right to reject delivery of, a commodity containing transgenic genes or traits that are not approved for sale in Japan, Mexico, the European Union, or other U.S. export markets.*

LIENS: Seller hereby warrants to Buyer that all grain delivered hereunder is now and will remain up to and including the time of delivery, free of all liens, encumbrances or security interests of any kind except as follows: _____

PREMIUMS AND DISCOUNTS TO APPLY: Acceptance of deliveries not meeting the contract grade and quality shall be at the option of the Buyer. If the Buyer elects to accept such deliveries not meeting the contract grade and quality, market scale discounts and premiums at time of delivery will apply, unless otherwise specified hereafter. The following premiums and discounts will apply to grain delivered pursuant to this contract: _____

SETTLEMENT FOR UNDERDELIVERIES: All deliveries made under this contract shall be for the quantity specified herein. If the Seller finds he will not be able to complete delivery of the contracted quantity, it shall be the duty of the Seller to advise the Buyer at once. The Buyer, when Seller's default is determined, shall by the close of the next market day elect either to: a) agree with the Seller upon an extension of the time for delivery; or b) after having given notice to the Seller to complete the contract, the Buyer, by the exercise of due diligence, will buy-in for the account of the Seller the defaulted portion of the contract; or c) after having given notice to the Seller to complete the contract, the Buyer will cancel the defaulted portion of the contract at the difference between the contract price and the replacement cost based on the close of the market the next business day when trades can be made for the account of Seller.

BUYER'S RIGHT TO DELAY DELIVERY PERIOD: The Buyer has the right, without penalty, to delay the time for accepting delivery and making payment under this contract if such delay is caused by government regulation or action, labor strikes, riots, insurrection, freight embargoes or transportation delays. It shall be the duty of the Buyer to accept delivery and make payment under this contract as soon as practicable after the cause for delay has ceased.

ARBITRATION: Buyer and Seller agree that all disputes and controversies between them with respect to this contract shall be subject to the Trade Rules of, and arbitrated by the _____ and that judgement may be entered on the arbitration award in any court of competent jurisdiction. Seller agrees to pay all Buyer's costs resulting from Seller's breach, including, but not limited to, reasonable attorney's fees and court costs.

BINDING EFFECT: This contract, and any amendments thereto agreed to mutually by the Seller and buyer, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives and successors of the respective parties. This contract may not be assigned.

FINAL AND COMPLETE AGREEMENT: This contract shall represent the final, complete and exclusive statement of agreement between the parties and may not be modified, supplemented or waived, except in writing signed by both parties.

NORTH DAKOTA NOTICE: A ND Indemnity Fund Assessment of .2% (.002) of the value of grain covered by this contract may be deducted at settlement.

NOTICE TO SELLER OF FINANCIAL RISK

MINNESOTA - THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT NOT COVERED BY ANY GRAIN BUYER'S OR STORAGE BOND.

MONTANA - IN THE EVENT OF FINANCIAL INSOLVENCY, AMOUNTS OWING AFTER SURETY BOND PAYMENT, MAY RESULT IN AN UNSECURED OBLIGATION. THE SELLER IS HEREBY ADVISED OF THE FINANCIAL RISK INVOLVED WITH THIS TYPE OF CONTRACT.

NORTH DAKOTA - THIS CONTRACT IS NOT PROTECTED BY BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.

SOUTH DAKOTA - THIS CONTRACT IS NOT PROTECTED BY SOUTH DAKOTA STATUTORY BOND COVERAGES.

Seller _____ Date _____
(AUTHORIZED SIGNATURE)

In witness whereof, the parties have signed this contract

this _____ day of _____ (month),
_____ (year).

BUYER: _____ Date _____
(Authorized Signature(s))

SELLER: _____ Date _____
(Authorized Signature(s))

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Seller _____ Date _____ (AUTHORIZED SIGNATURE)

In witness whereof, the parties have signed this contract this _____ day of _____ (month), _____ (year).

DATE PRICED: _____ FUTURES: _____

BUSHELS: _____

BUYER: _____ Date _____ (Authorized Signature(s))

SELLER: _____ Date _____ (Authorized Signature(s))

THIS TEXT PRINTED ON THE PINK 3RD PART ONLY.

BOUND 50 3-PART SETS PER BOOK.