

**GLACIAL LAKES CORN PROCESSORS  
UNIFORM MARKETING AND DELIVERY AGREEMENT**

This Uniform Marketing and Delivery Agreement (“this Agreement”) is made and entered into by and between Glacial Lakes Corn Processors, a South Dakota cooperative corporation (“GLCP”), and the undersigned member of GLCP (“Member”). This Agreement is effective as of the date it is approved and accepted by GLCP.

**PREAMBLE**

**WHEREAS**, GLCP is organized and operated as a cooperative corporation under South Dakota statutes, Chapters 47-15 to 47-20, inclusive, for the mutual benefit of all members of GLCP. GLCP is organized for the purpose of developing, owning, and operating corn ethanol plants (“Ethanol Plant”) and other agriculture purposes; and

**WHEREAS**, this Agreement records legal relations between Member as seller and GLCP as buyer of corn and is a contract between Member and GLCP. The parties are also related under Articles of Incorporation (“Articles”) and Bylaws (“Bylaws”) of GLCP, and Member has entered into this Agreement as a condition to becoming a member of GLCP in accordance with and subject to the Articles and Bylaws. Member 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 GLCP’s Board of Directors (“the Board”) pursuant thereto, as fully as though each provision was expressly set forth herein. Member acknowledges receipt of copies of the Articles and Bylaws.

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

**NOW, THEREFORE**, Member and GLCP agree as follows:

1. **Appointment of GLCP as Agent.** Member appoints and designates GLCP to act as Member’s sole agent in the purchase, sale and marketing of the corn committed to GLCP under this Agreement and any supplements, extensions, renewals, substitutions or modifications of this Agreement.
2. **Corn Committed to GLCP.** Member agrees to commit and deliver to GLCP, at GLCP’s facility(ies) or at locations designated by GLCP, one (1) or more bushels of corn during each processing year for each share of Common Stock of GLCP owned by Member. The actual per share bushel commitment will be established for each processing year by the Board based on the number of shares of Common Stock outstanding and the estimated need for corn to be marketed and processed by GLCP. For purposes of this Agreement, a processing year starts on September 1 of each year and ends on August 31 of the following year, until otherwise changed by GLCP.

If Member’s production is reduced so that Member is unable to deliver the number of bushels described above, Member is required to obtain the corn from another source and deliver the corn to GLCP, as if the corn had been produced by Member. If Member cannot deliver the corn committed, Member agrees that GLCP, at its option, may act as Member’s agent for the purpose of obtaining the corn in Member’s name and may charge to Member all expenses and incidental costs in obtaining and delivering the corn to GLCP’s designated facility(ies).

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

3. **Adjustments to Amount of Corn Committed.** Member acknowledges that certain circumstances may affect the total number of bushels of corn that GLCP may require for marketing and processing in any given

year. Member acknowledges and agrees that the Board may increase or decrease the number of bushels of corn committed by Member on a pro rata basis with all other members.

If the total number of bushels contracted for sale and delivery to GLCP by all members under similar Agreements exceeds the number of bushels that GLCP determines that it needs during a processing year due to an initial over-subscription of corn 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 shares of Common Stock owned by each Member, either on a permanent or temporary basis, so that the total number of bushels committed to GLCP by all members will fulfill GLCP's anticipated processing needs. Likewise, if the total number of bushels contracted for sale and delivered to GLCP by all members under similar Agreements is less than the number of bushels that GLCP determines that it needs to meet its processing requirements during a given year, the Board has the right to increase the committed number of bushels on a pro rata basis according to the number of shares of Common Stock owned by each Member, so that the total number of bushels committed to GLCP by all members will fulfill GLCP's anticipated processing needs. GLCP will notify Member of any changes in the number of bushels to be delivered by Member to GLCP in any processing year.

4. **Delivery.** Member agrees that GLCP may establish a delivery schedule for all member bushels contracted under similar agreements, and may also establish delivery periods more frequent than annually (in which case the annual delivery obligation of Member hereunder would be prorated over the delivery periods.) Member agrees to deliver Member's corn committed in accordance with the delivery schedule, if one is prepared by GLCP for all members, and agrees that the risk of loss for the corn remains with Member until Member's corn is delivered to and accepted by GLCP. GLCP will accept corn either by:
  - a) Receiving and grading Member's corn at GLCP's designated facility(ies); or
  - b) Notifying Member that GLCP has accepted corn held in storage other than at GLCP's designated facility(ies).

The Board may modify the above process if it is determined that some other process will allow GLCP to more efficiently process and market corn.

5. **Forward Contracting.** GLCP, at the discretion of the Board, may offer forward contracting opportunities to Member. Any gains or losses from this service will be added or subtracted from the Corn Payment, as described in paragraph 8.a) of this Agreement, upon delivery.
6. **Product Quality Standards.** All corn to be delivered by Member to GLCP must be #2 yellow corn and be a "commercially acceptable product" in accordance with Federal and State standards and in accordance with the standards set by GLCP. Product of substandard quality, as determined by GLCP, will, at GLCP's option, be either:
  - a) Rejected and returned to Member with all costs relating to the rejection and return charged to Member; or
  - b) Accepted with deductions and allowances made and charged against Member because of the inferior grade, quality or condition at delivery.

If, in GLCP's sole opinion, Member continually fails to deliver commercially acceptable corn, GLCP may terminate this Agreement and Member's membership in GLCP.

GLCP will make rules and regulations for grading the quality of corn and to standardize the manner of handling and shipping corn. Member agrees to observe any such rules and regulations and accept the grading established by GLCP.

7. **Use of Corn and Corn Products.** GLCP has the sole and complete discretion in all phases of marketing activity including, but not limited to, commingling, pooling or pledging corn once accepted and any products of the corn as security for loans to any lending institution or other lender.

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

8. **Payments to Member.** GLCP will process corn in a manner it deems to be in the best interests of GLCP and all members as a whole, and will market the ethanol and other processed corn products at the best price obtainable by GLCP under the then current market conditions. GLCP agrees to pay Member as follows:
- a) *Corn Price and Payment.* GLCP will pay Member within 10 days of each delivery and acceptance a price per bushel determined by or under the direction of GLCP's Board of Directors, based on available market information, the corn requirements of the Ethanol Plant, and GLCP's loan covenants with its senior lender; provided that the price per bushel may not be less than 80% of the average market price of surrounding elevators during the delivery period.
  - b) *Value Added Payments.* At the end of each processing year, and at such other times as determined by the Board, GLCP will determine the net income from all of its operations and may make such allocations and payments to Member, after approval by GLCP's lender(s), which will further compensate Member for value added to Member's corn during processing, and still allow GLCP to retain its financial integrity.
  - c) *Transportation Payments.* The Board may establish transportation allowances to be paid to members for delivery of corn to places designated by GLCP. GLCP's Board, under reasonable policies of uniform application, may determine transportation allowances.
  - d) *Patronage Allocation.* Member is entitled to allocation of earnings from GLCP in accordance with GLCP's Bylaws.
  - e) *Commercial Investment Level.* If Member purchased 50,000 shares or more of Common Stock in GLCP's initial Offering of Common Stock, GLCP will pay Member within 30 days following the close of each fiscal year a \$0.03/per committed bushel volume incentive on such original shares (excluding any shares received therefor in any stock split or combination following the issue date of the original shares), whether delivered by or on behalf of such Member, with a floor for purposes of the volume incentive payment hereunder of 50,000 bushels.

9. **Member's Warranty.** Member represents and warrants to GLCP that Member is the owner of the corn delivered to GLCP under this Agreement and that the corn is commercially acceptable, as required in paragraph 6 of this Agreement.

10. **Term of Agreement.**

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

On the third anniversary date 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 GLCP 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:
  - i. Notice of termination of the initial term must be given not more than one hundred eighty (180) days nor less than thirty (30) days before the date that is three years after the Starting Delivery Date. If such notice is given, Member and GLCP will have two years remaining under this Agreement instead of the three year renewal term.
  - ii. Notice of termination after each renewal term must be given not more than one hundred eighty (180) days nor less than thirty (30) days before the next anniversary date of the Starting Delivery Date. If Member gives notice after any number of renewal terms, Member and GLCP will have two years remaining under this Agreement.
- c) *Automatic Termination.* This Agreement shall terminate automatically in the event GLCP ceases operations permanently; files a petition, either voluntarily or involuntarily, for protection under the bankruptcy laws; makes an assignment of its assets for the benefit of creditors; is adjudged insolvent; has a receiver appointed; or has a private or public foreclosure action brought against it or any of its personal or real property.

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

- a) *Member's Remedies.* If GLCP fails to pay any payment for corn delivered and accepted as provided in paragraph 8 of this Agreement, Member may recover the payments from GLCP. Member may not claim or recover any incidental or consequential damages for non-payment. If GLCP rejects any corn tendered for delivery, GLCP will not be liable for damages, provided GLCP has performed in good faith in the establishment of quality specifications and in the inspection and rejection of corn tendered for delivery. If the obligation of good faith is violated, then Member may resell the corn 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 GLCP rejects any corn tendered for delivery, Member may not withhold future scheduled deliveries. Member may withhold future scheduled deliveries only in the event that GLCP fails to pay Member the payments owed Member as provided in paragraph 8 of this Agreement.
- b) *Company's Remedies.* If Member fails to make delivery or GLCP rejects in good faith any tender of delivery, GLCP may make in good faith and without unreasonable delay any reasonable purchase of corn in substitution for that due from Member. GLCP 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 Member under this Agreement or should such nonperformance result in the termination of Member's membership in GLCP, Member agrees that, in addition to any other remedies available to GLCP, the amount of damages Member may become obligated to pay GLCP will be credited to GLCP against Member's stock or other evidences of equity. Member agrees to pay all reasonable legal costs and expenses, including attorneys' fees and court costs, incurred by GLCP in any action brought by GLCP 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 GLCP is subject to termination for cause by action of the Board as provided in the Bylaws. If membership is terminated, this Agreement will be cancelled as of end of GLCP's fiscal year next following the termination of membership. It is further agreed that if this Agreement is terminated, because of the impossibility of ascertaining with accuracy the damages resulting from such a breach, GLCP is entitled, as liquidated damages, to an amount equal to twenty-five percent (25%) of the market value of the corn which Member has failed to furnish or was improperly furnished under the terms of this Agreement. The

market value will be determined by using the highest price for corn at the delivery point that was designated by GLCP during the 30-day period following Member's breach of this Agreement. Termination of membership or cancellation of this Agreement does not waive, affect or limit GLCP'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 the Delivery 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 GLCP's Governing Instruments.** Member accepts and agrees to conform to and abide by the provisions of the Articles of Incorporation and Bylaws of GLCP 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 GLCP on the basis of corn delivered to GLCP, 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 GLCP, 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.
13. **Security Interests.** If Member grants a security interest in Member's corn during the term of this Agreement, GLCP has the right, after acceptance of the corn by GLCP, 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 GLCP. Member must inform GLCP of all security interests granted in Member's corn crop by disclosing all security interests as provided by state or federal law to GLCP, and if not provided, then separately in writing.
14. **Inability of GLCP 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 GLCP's control that affects the conduct of GLCP's business to the extent of preventing or unreasonably restricting GLCP's receiving, handling, processing, packaging or sales operations, GLCP is excused from performance during the period that GLCP's business or operations are so affected. GLCP may, during such period, accept such portion of Member's corn as has informed Member that GLCP 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.** Member may not assign this Agreement without GLCP's prior written consent, and then only to a member as defined in the Bylaws. GLCP may not assign this Agreement without Member's prior written consent, except that GLCP may assign, without Member's prior written consent, this Agreement as collateral security for any or all loans made to GLCP.

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 GLCP at its designated address and to Member at Member's address as it appears on the books of GLCP.
20. **Governing Law.** This Agreement will be governed by and enforced in accordance with the laws of the State of South Dakota.
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 only be amended or modified upon a majority vote of GLCP's members who have executed a Uniform Marketing and Delivery Agreement and who are present at a duly held meeting called for that purpose ; provided, however, that paragraph 8.e) may only be amended or modified with the consent of Member.



Member #: \_\_\_\_\_

## Uniform Marketing and Delivery Agreement and Signature Page

**\*\*Shareholder(s) must be 18 years of age or older\*\***

By their signature below, the undersigned Member(s) and Glacial Lakes Corn Processors (GLCP) each acknowledge and agree that this Signature Page is the Signature Page to the Uniform Marketing and Delivery Agreement between the undersigned Members(s) and GLCP in the form set forth in the membership section of the GLCP website and as Appendix D to the Offering Circular of Glacial Lakes Corn Processors dated August 18, 2006, a copy of which has been received by the undersigned Member(s), and that such agreement constitutes the Uniform Marketing and Delivery Agreement by and between the undersigned Member and GLCP.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Social Security Number or Employer ID number

\_\_\_\_\_  
Phone Number

### FOR OFFICE USE ONLY

#### *Acceptance of Agreement by the Company*

Glacial Lakes Corn Processors hereby accepts the above Uniform Marketing and Delivery Agreement from Member.

Dated this \_\_\_\_\_ day of 20\_\_\_\_.

Company: Glacial Lakes Corn Processors

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

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

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