



705 E. 4th Street, PO Box 461, Winthrop, MN 55396
507-647-6600 or 866-998-3266

People....Pride....Purpose....
"Since 1915"

October 7, 2011

Contract MUST be received by UFC
within 5 days or contract price is void.

UFC reserves the right to
discontinue contracts without notice

2011 PREPAY FALL DIESEL SUPPLY AGREEMENT

This agreement made this ___ day of _____, 2011 by and between United Farmers Cooperative, Winthrop, MN (UFC) and _____; of _____, MN (Patron).
[insert name] [insert town]

Whereas UFC desires to contract for the sale of **Field Master Diesel Fuel B 5** to Patron, and Patron desires to contract for the purchase of that product as well;

Whereas, UFC and Patron both acknowledge that petroleum prices are subject to sharp fluctuations, which may be unexpected, and for those parties in the same position as the Patron who have contracted for the purchase of petroleum products, the unexpected price movement could be down, in which case the Patron is required to continue purchasing under the contract even though the Patron may be tempted to purchase products at cheaper prices elsewhere.

Now, therefore, the Parties agree as follows:

- 1. Price, Gallons & Period.** The Patron shall purchase _____ gallons of **Field Master Diesel Fuel** at a price of **\$3.529** per gallon, starting no earlier than **September 1, 2011** and ending no later than **November 25, 2011**. This price does not include road, clean-up or other taxes that may be payable, which when applicable will be added to the price above.
This price is based on fuel at \$3.00/gallon. Above \$3.25/gallon, fuel surcharges per delivery will apply
- 2. Handling Fee; Damages & Losses.** The Patron will pay a handling fee of **.02** cents per gallon for each gallon that is not delivered to the Patron. In addition, the Patron shall pay an amount equal to UFC's lost margins that UFC will not receive for each gallon that Patron refuses to take delivery of and pay for, plus Patron shall also pay an amount equal to UFC's losses, if any, that UFC incurs in selling the petroleum. UFC shall also be paid a finance charge equal to 18% annually or 1½% per month on all amounts owed to UFC on the last date of the delivery period in paragraph #1 above. UFC shall demand payment of all amounts that Patron owes within sixty (60) days after the end of the delivery period, and Patron shall pay the amount demanded within seven (7) days following the postmarked date on the envelope in which UFC's payment demand is received.
- 3. Breach and Cure.** The non-breaching party shall provide the breaching party with thirty (30) days written notice of its intent to terminate. In the event the breach is cured within such thirty (30) day period, this Agreement shall continue in full force and effect. In the event the breach is not cured within such thirty (30) day period, the Agreement shall automatically terminate at the end of such thirty (30) day period without the requirement of any future notice. The parties shall be liable for contract damages, if any, arising from termination of this agreement as provided more fully in paragraph 3 above, and the non-breaching party may immediately accelerate all performance anticipated under this contract to assert and obtain all damages to which the party is entitled without waiting until the end of the contract's term to assert a claim against the breaching party.

OUR PURPOSE

To supply our customers with technology, products, and services in a manner that is extraordinary enough to add value to their lives.

4. **Credit Policy.** The parties agree that in the event Patron fails to make payment to UFC on a timely basis and in accordance with UFC's credit policy, in addition to all other remedies available pursuant to law, equity, or this Agreement, UFC shall have the right to immediately and indefinitely place Patron on COD payment for Products

5. **Force Majeure.** Either party's failure to perform the terms and conditions of this Agreement, in whole or in part, will not be deemed a breach or a default hereunder or give rise to any liability of either party to the other if such failure is attributable to any act of God, riot, public enemy, fire, explosion, flood, drought, war, sabotage, accident, action by governmental authority, or other conditions beyond the reasonable control of the other party.

6. **Assignment** The parties agree that Patron may not assign this Agreement or any rights or obligations hereunder without the prior written consent of UFC; which consent may be granted or withheld by UFC in its sole discretion. Nothing herein shall in any way prohibit or otherwise restrict UFC from assigning this Agreement or its rights or obligations hereunder.

7. **Waiver.** The waiver by either party of a breach of any provisions of this Agreement will not contribute or be construed as a waiver of any future breach of any provision(s) of this Agreement.

8 **Patron's Authorization.** Patron warrants that Patron is authorized to execute this agreement on behalf of Patron and others whom Patron represents, and in doing so binds the Patron and other persons to this agreement.

9. **WARRANTY AND DISCLAIMER.** UFC DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE. UFC MAKES NO EXPRESS WARRANTIES EXCEPT THAT THE PRODUCT SOLD HEREUNDER IS AND WILL BE Field Master Diesel Fuel

10. **Entire Agreement.** This instrument sets forth the entire agreement between the parties relative to the subject matter herein and supersedes all previous understandings and agreements of the parties relative to the subject matter herein. Modification or amendment of any of the provisions of this Agreement shall not be valid unless in writing and signed by the parties hereto. The recitals are incorporated into and made apart of the agreement.

United Farmers Cooperative

By _____

Its _____

Date _____

Patron's Name

By _____

Its _____

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