



CONTRACT

Contract #: 2515
Contract Date: 10/30/2017
External Ref. #:
Cust. PO #: 7878787_1

Seller: 200123456

JOSEPH FARMER
123 MAIN ST
BROWNTON MN 55312-6361

Buyer:

CHS INC. - MANKATO
2020 S RIVERFRONT DR
MANKATO MN 56001-1613

We confirm the contract to PURCHASE the following commodity from you:

Contract Quantity: 10,000.000 BU

Commodity: SOYBEANS YELLOW US

Misc: DISCOUNT SCHEDULE AT TIME OF UNLOAD TO APPLY

FUT: 8.750000 USD

BAS: -00.03000 USD CHICAGO 18-JAN SOYBEANS / FOB / CHS Inc. - Mankato / TRUCK

NET: 8.720000 USD/BU

Shipment Period: 1/01/2018- 01/31/2018 **Qty:** 10,000.000 BU

Weights to Govern: DESTINATION HOUSE WEIGHT

Grades to Govern: DESTINATION HOUSE ANALYSIS

Payment Terms: DUE UPON RECEIPT

TERMS:

This contract includes the terms and conditions printed on the reverse side hereof which are hereby agreed to. Please respond in kind, sign and return paper copy received or reply to email attachment via email within 48 hours. Accepted and agreed on _____.

CHS Inc.

Name Of Seller

Name Of Buyer

By:

By:

Title:

Title: ()

CHS Inc. Standard Terms and Conditions (U.S. Canola Purchases)
Effective Date: [10/27/2017]

1. **Contract.** These CHS Standard Terms and Conditions (U.S. Canola Purchases), together with any document applying or incorporating these Terms and Conditions by reference are collectively referred to herein as the “*Contract*”. This Contract evidences the contract between Buyer and Seller for the sale of the goods identified in this Contract (the “*Goods*”). If no objection is made to this Contract immediately, this Contract will be considered final and will signify Seller’s acceptance.
2. **Entire Agreement.** No term or condition of this Contract may be altered or superseded without written consent from Buyer’s authorized representative. Buyer hereby objects to the inclusion of any term or condition proposed by Seller that is different from or additional to the terms and conditions of this Contract, and Buyer’s acceptance of any Goods shall not constitute any assent to any such term or condition.
3. **Trade Rules; Arbitration; Governing Law.** Except as otherwise expressly provided for in this Contract, this Contract is subject to the National Grain and Feed Association (“*NGFA*”) trade rules in effect on the date of this Contract. All disputes and controversies between Buyer and Seller with respect to this Contract must be arbitrated according to the arbitration rules of NGFA. If Seller is located in South Dakota, the parties shall submit any dispute arising under this Contract to non-binding mediation if required by S.D. CODIFIED LAWS § 37–4A–2 prior to the initiation of NGFA arbitration. If S.D. CODIFIED LAWS § 37–4A–2 ceases to be controlling at any time that this Contract is in effect, the preceding sentence shall be treated as though it never existed and the parties shall proceed directly to NGFA arbitration. If, for whatever reason, the NGFA trade and arbitration rules are determined to be unenforceable by a court of competent jurisdiction, this Contract shall be governed by and construed in accordance with the laws of the State of Minnesota. Jurisdiction for any court proceedings arising out of or related to this Contract shall lie exclusively in the federal and state courts resident in St. Paul, Minnesota. If any party institutes any legal suit, action or proceeding against the other party arising out of or relating to this Contract, the prevailing party in the suit, action or proceeding is entitled to receive, and the non-prevailing party shall pay, in addition to all other remedies to which the prevailing party may be entitled, the costs and expenses incurred by the prevailing party in conducting the suit, action or proceeding, including reasonable attorneys’ fees and expenses and court costs.
4. **Seller Warranties.** Seller warrants to Buyer that all Goods shall: (a) comply with all applicable federal, state and municipal laws, rules, regulations, codes and ordinances; (b) conform to the descriptions and specifications set forth in this Contract or otherwise agreed to by Seller and Buyer; (c) be free of liens, encumbrances and any other defect in title; (d) be merchantable, of satisfactory quality, of good material and workmanship and free from defects; (e) not pose any food, safety or quarantine risk; (f) be grown within the continental United States unless otherwise stated in this Contract; (g) be free of all fumigants and pesticides; and (h) not be adulterated or misbranded within the meaning of the U.S. Federal Food, Drug and Cosmetic Act, as amended, and not include any article or commodity that may not, under the provisions of such Act, be introduced into interstate commerce. The warranties set forth above are in addition to any other warranty offered by Seller and any warranties implied or provided by law.
5. **Certain Seller Obligations.** Prior to shipping the Goods to Buyer, Seller shall advise Buyer of the kind and grade of the Goods and the number of bushels in each railcar. Except as otherwise agreed by Buyer and Seller, each shipment of Goods shall be applied to the oldest open contract between Buyer and Seller. Prior to the shipment of the Goods, Buyer may change the billing instructions. Buyer may change the destination of any shipment of Goods during the transit. Any increase in applicable freight rates that take effect before the full performance of this Contract shall be paid by Seller and Seller shall reimburse Buyer on demand for any such amount paid by Buyer. Seller shall load all railcars to capacity as required by the railroad company and Seller shall pay all dead freight on any railcars it fails to load to capacity. Seller shall pay all weighing, inspection, demurrage and interest charges.
6. **Risk of Loss.** Seller shall retain the risk of loss and/or damage to the Goods until the Goods are physically delivered to Buyer and have been graded and weighed. Notwithstanding the foregoing sentence, Seller shall retain the risk of loss and/or damage to all rejected Goods.
7. **Acceptance.** Buyer shall have a reasonable period of time after delivery within which to inspect Goods. The receipt of Goods, the inspection or non-inspection of Goods or the payment for Goods will not impair Buyer’s right to: (a) reject nonconforming Goods or Goods that are, irrespective of grade, tagged, seized, condemned, unfit or are otherwise actionable by any federal, state or municipal agency, department or other entity; (b) recover damages; and/or (c) exercise any other remedies to which Buyer may be entitled. Further, Buyer’s acceptance of Goods will not waive any right or remedy accruing to Buyer as a result of any breach of this Contract. Rejected Goods may be returned to Seller or otherwise disposed of at Seller’s cost and expense. Buyer may apply off-grade Goods at the market difference without first notifying Seller.
8. **Price and Taxes.** Price and delivery terms are as stated on the face of this Contract. Unless otherwise stated on the face of this Contract, the price includes (a) all costs to comply with the terms and conditions of this Contract, (b) any and all taxes, including sales, use, excise, value added and other taxes, and (c) fees, duties or other governmental impositions on the sale of the Goods covered by this Contract. If Buyer is required to pay any taxes or other impositions, Seller will promptly reimburse Buyer.
9. **Invoicing and Payment.** Seller will invoice Buyer for amounts due under this Contract. Except as otherwise stated on the face of this Contract, Buyer will pay Seller all undisputed amounts within [31] calendar days after receipt of the applicable invoice or receipt of all of the Goods subject to this Contract, whichever is later, or within such lesser period of time as is required by law.
10. **Reciprocal Margins.** If this Contract calls for delivery beyond 14 calendar days from the date of this Contract, Buyer may, at any time, demand from Seller a marginal deposit of 10% of the contract price to be returned to Seller when the Goods are delivered to Buyer, and Buyer may demand such further deposit payments from Seller as may be necessary to maintain a deposit on this Contract of 10% of the contract price *plus* an amount equal to the difference between the contract price and the prevailing market price if the market price is greater than the contract price. Seller shall make all such deposits within 3 calendar days of the demand.
11. **Confidentiality.** Seller agrees to keep confidential the terms and conditions of this Contract and all other proprietary information disclosed by or on behalf of Buyer or otherwise learned or obtained by Seller in connection with this Contract or the performance of this Contract. Seller will not use any of this information other than in connection with the performance of this Contract and will not disclose any of this information except to the extent required by law and then only after prior notice to Buyer.
12. **Audit.** Subject to reasonable confidentiality restrictions, Buyer will have the right to audit and inspect the records and facilities of Seller and Seller’s agents used in the performance of this Contract or relating to the Goods to the extent reasonably necessary to determine Seller’s compliance with this Contract. Buyer’s audit/inspection, or failure to conduct any audit or inspection, will not release Seller from any of Seller’s liabilities or obligations.
13. **Indemnification.** Seller shall indemnify, hold harmless and defend Buyer and its officers, directors, employees, agents, affiliates, successors and permitted assigns (collectively, “*Indemnified Party*”) against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees, that are incurred by Indemnified Party arising out of any claim alleging: (a) breach or non-fulfillment of any representation, warranty, covenant or agreement under this Contract by Seller or Seller’s agent; (b) any negligent or more culpable act or omission of Seller or Seller’s agent (including, without limitation, any reckless or willful misconduct) in connection with the performance of this Contract; (c) any bodily injury, death of any person or damage to real or tangible personal property caused by the negligent or more culpable acts or omissions of Seller or Seller’s agent (including, without limitation, any reckless or willful misconduct); or (d) any failure by Seller or Seller’s agent to comply with any applicable laws, rules, regulations, codes, ordinances or the like in the performance of this Contract.
14. **Force Majeure.** Each party will be excused from a failure to perform, or a delay in performance of, this Contract to the extent caused by events beyond its reasonable control. The party claiming excuse from performance must take reasonable efforts to remove the cause of its inability to perform or its delay in performance. The party claiming excuse from performance must give prompt written notice to the other party of the event, specifying its nature and anticipate duration. If Seller’s performance is excused or delayed for more than 20 calendar days, Buyer may terminate this Contract by giving Seller written notice, which termination will become effective upon receipt of such notice. If Buyer terminates this Contract, Buyer’s sole liability will be to pay any balance due for conforming Goods delivered by Seller before receipt of Buyer’s termination notice. Buyer and Seller recognize that the market price when delivery of the Goods is required under this Contract may be different than the Contract price, and each party agrees not to assert such a difference as an excuse from performance or as a defense in any action for damages for failure to perform in whole or in part.
15. **Cancellation; Termination.** Except to the extent prohibited by applicable law, Buyer (a) may cancel this Contract for any reason or no reason prior to shipment of the Goods by providing written notice to Seller and (b) may immediately terminate this Contract, even after shipment, by providing written notice to Seller if Seller breaches any term or condition of this Contract or becomes insolvent or subject to any proceeding under any bankruptcy or any insolvency law.
16. **Origin Control Clause.** Seller warrants that the Goods do not in any way directly or indirectly originate from any country (including Cuba), person or entity that would cause Buyer to be in violation of or penalized by U.S. or other applicable economic sanctions laws.
17. **Executive Order 11246.** The provisions of Section 202 of Executive Order 11246 and any amendments thereto and the rules and regulations issued pursuant to Section 201 of such Order are incorporated into this Contract by reference, and Seller warrants that Seller will comply with such Order and any amendments thereto and the rules and regulations issued pursuant to Section 201 of such Order to the extent applicable to the sale of the Goods.
18. **Exclusion of Conventions.** The following international covenants will NOT apply to this Contract: (a) the Uniform Law on the Sale of Goods and the Uniform Law on the Formation of Contracts for the International Sale of Goods; (b) the United Nations Convention on Contracts for the International Sale of Goods of 1980; and (c) the United Nations Convention on the Limitations Period in the International Sale of Goods, concluded in New York on June 14, 1974, and the Protocol Amendment the Convention on the Limitations Period in the International Sale of Goods, concluded in Vienna on April 11, 1980.
19. **Waiver.** Buyer’s failure or delay in exercising any right or remedy with respect to this Contract will not operate as a waiver of that right or remedy. Any waiver of a right or remedy must be in writing and signed by Buyer’s authorized representative.
20. **Assignment.** Seller may not assign or subcontract its rights or obligations under this Contract without prior written consent from Buyer’s authorized representative. This Contract shall be binding on the heirs, administrators and executors of Buyer and Seller.
21. **Severability.** If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction.