

FARM SERVICE COOPERATIVE CREDIT POLICY

The extension of credit will be granted only when a credit application has been properly completed, signed, submitted, and approved. In addition to the credit application, Farm Service Cooperative may require that a current financial statement be submitted. Until credit has been approved, all purchases must be cash.

If an account is approved for credit, a credit limit will be established. If at any time the account would like to have the credit limit increased, or due to the amount of the credit exposure to FSC, FSC, in their discretion, may ask for any combination of the following: 1) a new credit application, 2) submit a financial statement, and 3) a security interest in certain assets.

Regardless of the product or service purchased, all purchases are due by the 15th of the month following the month in which the purchase was made. HOWEVER, depending on the product or service purchased, other payment terms may apply; those terms are listed below under Special Terms.

Purchases which are unpaid by the 15th of the month following the month of purchase will have FINANCE CHARGES equal to 1.25% per month (15% annually) assessed on the 16th of the month.

SPECIAL TERMS

Farm Service Cooperative also has marketing programs unique to each of its operating divisions which carry additional specifications. Those specifications are listed below:

ENERGY:

Propane for home heating purposes: For home heating accounts, only two purchases may be outstanding at a time.

Propane purchased on the Budget Billing Program: As long as an account is making the monthly payments under the Budget Billing Program, FSC will deliver product on a route basis. Please review a copy of FSC's Budget Billing Program for complete and current details.

Cardrol Purchases: Purchases are due by the 15th of the month following the month of purchase. Accounts unpaid beyond this date are subject to having their cards locked out.

FEED:

Toll Mill / Large Volume Accounts: On the 15th and 30th of each month these accounts will receive an itemized listing of their account activity. The account balance is due within 10 days of the 15th and 30th of each month. Failure to pay by these dates will suspend future feed deliveries.

AGRONOMY:

Spring and Fall Fertilizer Accounts: Seed, Chemicals, Fertilizers, Custom Application, and all related services billed under FSC's Spring or Fall Fertilizer Accounts are due on July 15 and January 15, respectively. Spring Fertilizer Accounts which are unpaid on July 16 and Fall Fertilizer Accounts which are unpaid on January 16 will be assessed FINANCE CHARGES as outlined above on July 16 and January 16 respectively.

Grid Soil Sampling: If an account chooses to pay for this service in equal payments over a four-year period, each payment is due on July 15 of each year.

GRAIN:

Grain purchased for feeding livestock (other than in complete feeds) and Grain Sold To Terminals: Purchases are due at time of delivery.

TRANSPORTATION:

Transportation services – for other than production agriculture: Services are due 7 days from date of invoice.

MISCELLANEOUS:

Farm Service Cooperative reserves the right to implement special terms on any products which may require the account to prepay for product prior to delivery in order for Farm Service Cooperative to secure an adequate supply or price.

PAST DUE STATUS

When invoices for an account are not paid when due, the account is considered past due and FSC will consider the entire balance of the account due and payable. Also, all credit privileges will be suspended.

COLLECTION PROCEDURES

If an account does not pay the account as specified in FSC's credit policy and does not respond to statements, personal requests for payment, or collection letters, a Notice of Right To Cure will be sent by Certified Mail to the account. If the account does not respond to the Cure Notice, FSC will take action accordingly as provided by law to collect the account balance.

INSUFFICIENT FUNDS CHECKS

By virtue of Section 554.3512, Code of Iowa, FSC will add a fee of \$25.00 for any insufficient funds checks which have been presented twice to their bank for payment.