



Legacy Cooperative Grain Purchase Contract Terms and Conditions

Legacy Cooperative contracts stipulate **QUANTITY, GRADE, PRICE, and SHIPMENT PERIOD** along with the following terms and conditions:

1. **Liens and titles:** Seller guarantees that he is the sole owner of the grain sold, that he has good and merchantable title to said grain and there are no liens, encumbrances, or security interest of any kind except as follows: title of the grain shall pass to the buyer at the time of delivery even though no price has been determined.
2. **Settlement for under deliveries:** Seller agrees that he is financially responsible to the buyer in case of non-delivery of grain covered by this contract in the full amount of any loss resulting thereof to the buyer. Acceptance of any delivery by buyer after breach of terms and conditions of this contract by seller shall not waive any rights of remedies accruing to buyer as a result of such prior breach.
3. **Binding effect:** This contract is enforceable according to the terms stated herein, when signed by seller, or within 10 days of date stated above, whichever first occurs, unless seller gives buyer written notice of his objection, it is agreed by successors of the respective parties and that this contract cannot be assigned.
4. **Buyer's right to delay delivery period:** If seller fails to deliver during the period specified, buyer reserves a right without further notice to seller, to extend delivery date, terminate this contract, or buy in other grain to fill the contract with any additional costs being the seller's. It is understood that it is the buyer's elevator at delivery point for any option. Buyer's performance under this contract is contingent upon conditions beyond buyer's control, such as, but not limited to, labor disputes, and disturbances, accidents, fire, delay of carriers, act of god, or war. In the event of the occurrence of any of the foregoing conditions, buyer has the option to extend the delivery date.
5. **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 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.
6. **Arbitration:** Buyer and seller agree that all disputes and controversies between them with respect to this contract shall be arbitrated and that judgement may be entered on the arbitration award in any court of competent jurisdiction. Seller agrees to pay all buyer's cost resulting from seller's breach, including, but not limited to, reasonable attorney's fees and court costs.
7. **Final and complete agreement:** This contract is governed by the rules and regulations of the National Grain and Feed Association, the Uniform Commercial Code, and the laws of the states of Nebraska and South Dakota. 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.

The following only applies to grain originating in South Dakota, delivered off the farm to the third-party location:

Warning to direct ship seller: You will have no recourse to the grain dealer's security posted with the South Dakota Public Service Commission (SDPSC) unless you are a South Dakota producer and you: (1) demand payment from the grain dealer within fifteen (15) days after the date of the last shipment of any contract; (2) negotiate any negotiable instrument issued as payment for your grain by the grain dealer within fifteen (15) day after its issuance; and, (3) notify the SDPSC, 500 East Capitol Ave, Pierre, SD 57501, within fifteen (15) days after apparent loss. the grain dealer's security shall provide security for direct delivery grain until a post-direct delivery storage position is created for a period not to exceed fifteen (15) days after date of the last shipment of grain. Direct delivery of grain may affect the eligibility of the grain for participation in federal price support programs. This contract is not protected by South Dakota statutory bond coverages.

The following only applies to grain originating in Nebraska, delivered off the farm to a third-party location:

Warning to direct ship seller: You will have no recourse to the grain dealer's security posted with the Nebraska Public Service Commission (NPSC) unless you are a Nebraska producer and you: (1) demand payment from the grain dealer within fifteen (15) days after the date of the last shipment of any contract; (2) negotiate any negotiable instrument issued as payment for your grain by the grain dealer within fifteen (15) days after its issuance; and (3) notify the NPSC, PO Box 94927, Lincoln, NE 68509-4927, within fifteen (15) days after an apparent loss. The grain dealer's security shall provide security for direct delivery grain until a post-direct delivery storage position is created for a period not to exceed fifteen (15) days after the date of the last shipment of grain. Direct delivery of grain may affect the eligibility of the grain for participation in federal price support programs.

Nebraska law defines a producer as the owner, tenant, or operator of land in this state who has an interest in and receives all or part of the proceeds from the sale of grain produced on that land.