

DRAFT

3/21/23

Soybean Production, Conditioning, Warehousing and Distribution Contract

Client- PRO HARVEST SEEDS, INC

Conditioner- WEBER SEEDS, INC

A. THIS AGREEMENT will be in effect for one (1) year, and is being made and entered into the ____ day of _____, by and between Client _____ and _____, hereinafter called CONDITIONER. Both parties hereto, intending to legally bound, do hereby agree, for themselves, their successors and assigns, as follows:

1. Soybeans produced and or packaged under this agreement can only be sold for seed to CLIENT. Please refer to Exhibit 4.
2. CONDITIONER agrees not to attempt to sell, assign, transfer or allow to pass from its possession any portion of the seed crop produced without the approval of CLIENT.
3. Both parties agree the purpose of this agreement is for CONDITIONER to produce or cause to be produced, condition, package, stretch wrap, warehouse, stage and load on trucks as approved by CLIENT a crop of soybeans for seed purposes subject to the following terms and conditions.

B. For all seed stock units, it is agreed that:

1. CLIENT will provide seedstock to CONDITIONER for all varieties listed
2. Each unit of seedstock will be furnished to CONDITIONER at a cost of:

- A seedstock unit is defined as being 140,000 seeds per equivalent unit.
- If seedstock is treated the treatment cost will be in addition to the base seedstock cost.

\$ 41 for XTEND FLEX EVENT

\$ 41 for ENLIST EVENT

\$ _____ for _____

\$ _____ for _____

3. Payment for seedstock will be due SEPT. 1.
4. CONDITIONER and/or any of its grower(s) will perform the additional field work for any replant at no additional charge to CLIENT.
5. If additional seedstock is not available for replant, the contract for that variety will be reduced or canceled without recourse to any party.
6. CONDITIONER will pay the seedstock cost even if the seedstock crop is lost or is not delivered to CLIENT for any reason.
7. All seedstock furnished by CLIENT and all seed produced from that seedstock is and, at all times, will remain the property of CLIENT.
8. CONDITIONER will return any seedstock not planted to CLIENT within ten (10) days of completion of planting to receive credit.

C. CONDITIONER agrees:

1. to contract, sample bins, condition, bag, stretch wrap, warehouse, stage, load on trucks approved by CLIENT and maintain inventory control on the soybean seed produced in accordance with CLIENT specifications, rules, regulations and directions.
2. to contract and monitor all seed production acres with growers using a CONDITIONER contract
In order to:
 - a. produce a high yield of high quality soybean seed.
 - b. to keep seed production fields reasonably free of all weeds and totally free of noxious weeds.
 - c. obtain the contracted production units for each variety.
 - d. to promptly notify CLIENT of any possible problems in the fields and to keep CLIENT advised about the status and condition of the seed crop.
 - e. insure that good and proper soybean growing, harvesting and storage practices are used to avoid any co-mingling or mixture of seed.
3. to complete two (2) field inspections (one at flowering, one at harvest) to insure Seed Quality Standards as set forth in Exhibit 1 of this agreement are met and being maintained.
CONDITIONER will provide copies of these inspection reports as directed by CLIENT.
4. that CONDITIONER will maintain required documentation that includes field inspection(s), herbicide application rate the application date thereof, and the plant's stage of growth and forward the same to CLIENT as directed.
5. to collect the soybean check off assessment from CONDITIONER seed growers.
6. to have each seed grower provide a valid Monsanto Technology/Stewardship Agreement or Bayer Crop Science Trait License Agreement as required in Exhibits 2 and 3.
7. to approve all storage and handling facilities prior to harvest to ensure that quality is maintained and contamination of seed does not occur.
8. to instruct growers that harvest equipment will be cleaned of all grain before harvest of each variety of seed by physically cleaning grain tanks, augers, interior conveyors, etc. with air pressure and/or hand cleaning methods; that trucks used for hauling seed must be swept clean of any grain or foreign material prior to use; that storage facilities must be cleaned by physically sweeping any remnant grain of any kind from previous storage. Failure to abide by these steps may cause contamination and be subject to rejection of the entire seed lot by CONDITIONER or CLIENT.
9. to insure that seed is harvested in a timely manner to achieve soybean seed standards as set forth in Exhibit 1 of this agreement and with the least mechanical damage as possible.
10. to conditions and place in inventory seed which meets or exceeds CLIENT soybean seed standards as set forth in Exhibit 1 of this agreement and Roundup Ready® seed which meets or exceeds Monsanto standards of the Monsanto Roundup Ready® Quality Assurance Criteria as set forth in Exhibit 2 of this agreement and Liberty Link Seed which meets or exceeds Bayer Quality Assurance Criteria.
11. CONDITIONER hereby grants CLIENT personal access to the conditioning facilities for the purpose of sampling, guidance, and observation, and CONDITIONER shall obtain authority from all growers to grant CLIENT access to the seed fields for inspection at all reasonable times.

D. It is further agreed that:

1. CLIENT agrees to have CONDITIONER condition and package a minimum **80%** of total contract production units provided that sufficient bushels of seed are available that meet the soybean seed standards as set forth in Exhibit 1 of this agreement.
 - a. CLIENT will notify CONDITIONER no later than April 30th, of the year following production of the release of excess production.
 - b. If necessary, CLIENT will pay CONDITIONER a buyout for any units not conditioned up to the obligated portion of the contract at a rate of \$/40 per unit provided that sufficient bushels of seed are available that meet the soybean seed standards.
 - i. a unit is defined as being 140,000 seeds per equivalent unit.
 - c. CLIENT has the option to accept or reject the remaining contracted production.
 - d. bushels not approved for conditioning by CLIENT and any excess production will be handled according to CLIENT instructions.
2. CONDITIONER will send properly labeled representative samples of bulk seed from grower storage and final conditioned lot samples as directed by CLIENT no later than seven (7) days after harvest. These samples will be used to evaluate seed quality and herbicide tolerance compliance and to make decisions based thereon.
3. CLIENT or CLIENT customer(s) will schedule conditioning of seed with CONDITIONER.
4. all conditioning of seed will be performed by CONDITIONER unless otherwise approved by CLIENT.
5. CONDITIONER will provide CLIENT with bulk seed summary records, conditioning reports, and shipping records on a timely basis as requested by CLIENT.
6. in the event a seed lot does not meet CLIENT soybean seed standards as set forth in Exhibit 1 of this agreement, CONDITIONER will handle that lot as directed by CLIENT and CLIENT will have the option to accept or reject the seed.
7. all seed grown and delivered to CLIENT under the terms of this agreement will be free and clear of all liens, claims, rights and encumbrances of any third person or entity.
8. CONDITIONER will retain control, risk of loss, and title to the seed crop until such time as CLIENT accepts delivery of seed. CONDITIONER hereby grants CLIENT a first priority secured interest in the seed stock, planted seed, growing plants, harvested seed and conditioned seed.
9. CONDITIONER acknowledges that it is an independent contractor, not an employee, agent, or representative of CLIENT, and is solely responsible for its employees and the operations conducted pursuant to this agreement.
10. that any moneys owed either party not otherwise stated in the agreement shall be net due thirty (30) days upon receipt of an invoice.

E. As compensation for the seed produced, it is agreed that:

1. CLIENT will pay CONDITIONER the Chicago Board Of Trade (CBOT) futures option price per clean conditioned bushel of soybeans.
 - a. Soybeans may be priced by CONDITIONER on any CBOT business day from June 01, 2023 up to and including April 17th, 2024.
 - b. Base Price per bushel will be set from the CBOT futures option month from Nearby to May 2015 as selected by CONDITIONER.
 - c. CONDITIONER will notify CLIENT by phone to _____ of the price and the CBOT option month selected anytime after 9:30 am CST and prior to 1:00pm CST (excluding any day CLIENT or the Chicago Board Of Trade is closed). Requests by email, voicemail, or fax will not be accepted. Only a duly authorized representative identified in writing by the CONDITIONER will be allowed to make such elections.
 - i. In the event that the market advance and CONDITIONER is unable to deliver the quantity of priced seed, the CONDITIONER will be required to make up the difference between the Base Price and the local market price that is current at the time of delivery was requested.
 - d. Pricings will be in 5,000 bushel increments.
 - e. CLIENT will send written verification of transaction to CONDITIONER as soon as possible after the sale.
 - f. In the event that a Base Price has not been established, then the April 28, 2023 market close will be used to establish the Base Price.
 - g. CLIENT will only pay CONDITIONER for clean conditioned bushels that meet CLIENT soybean seeds standards as set forth in Exhibit 1 of this Agreement and that is required pursuant to paragraph D (1) of this Agreement.
2. a maximum 70% contracted production can be priced prior to harvest.
3. 100% of estimated contracted production can be priced after harvest.
4. CLIENT will pay CONDITIONER for conditioned clean units of seed net due fifteen (15) days upon receipt of invoice but no earlier than November 1 of the production year.

F. As compensation for the services provided, it is agreed that:

1. CLIENT will pay the CONDITIONER for the following services as listed:
 - a. **Condition-Full Service** fee of \$3.60 per cleaned seed bu, to include but is not limited to enlisting the services of CONDITIONER to contract, monitor, condition, package, stretch wrap, warehouse, ship samples, and load trucks.

- i. Cost of all package materials and pallets will be CLIENT expense. CONDITIONER will provide stretch wrap and pallet sheets at CONDITIONER sole expense. If CONDITIONER provides any additional materials upon prior approval of CLIENT, CONDITIONER will invoice CLIENT at an agreed upon price.
 - ii. Cost for shipping all seed samples will be CONDITIONER expense.
- b. **Condition-Custom** fee of \$2.20 per cleaned seed bu. delivered in bulk to CONDITIONER for conditioning but not produced by CONDITIONER.
 - i. Cleanout will remain property of CLIENT and will be delivered and sold on behalf of CLIENT at a local market as CLIENT instructs.
 - ii. Cost of all package materials and pallets will be CLIENT expense. CONDITIONER will provide stretch wrap and pallet sheets at CONDITIONER sole expense. If CONDITIONER provides any additional materials upon prior approval of CLIENT, CONDITIONER will invoice CLIENT at an agreed upon price.
 - iii. Cost for shipping all seed samples will be CONDITIONER expense.
- c. **Treatment** fee of \$1.55 per cleaned seed bu. for applying treatment as requested by CLIENT.
 - i. Cost of treatment material will be CLIENT expense. If CONDITIONER provides treatment material upon prior approval of CLIENT, CONDITIONER will invoice CLIENT for this expense.
- d. **Re-bag** fee of \$1.75 per packaged unit.
- e. **Re-label** fee:
 - i. \$4.00 per bulk unit to re-label or re-tag a bulk bag and/or bulk box.
 - ii. \$1.50 per packaged unit to re-label or re-tag a paper bag.
- f. **Discard** fee of \$1.55 per packaged unit to dump and deliver to local market the excess untreated packaged seed at the end of the season as CLIENT instructs.
- g. **Handling** fee of \$1.50 per packaged unit for seed units shipped to CONDITIONER for retail sales from non-Conditioner production sources.
- h. **Terms**, CLIENT will make full payment net due thirty (30) days upon receipt of invoice. Services will be invoiced monthly by CONDITIONER as services are completed.

G. INSURANCE REQUIREMENTS:

CONDITIONER agrees to have in full force and effect at all times when it is performing or causing to be performed any work or labor pursuant to the terms of this Contract, a policy of insurance in the minimum amount of \$1,000,000.00 covering all seed that is covered by terms of this agreement for any and all destruction or damage caused by any actions, conduct or inactions

taken or failed to be taken by CONDITIONER, its employees, agents or representatives.

CONDITIONER further agrees to and shall cover all of its employees under the applicable Worker's compensation insurance policy requirements as may be required by the State of Missouri during all times when any of its employees, agents or representatives is performing any work or labor pursuant to the terms and conditions of this Agreement.

CONDITIONER agrees to and shall hold CLIENT harmless from any and all claims, demands, suits, liabilities, costs, damages, and expenses including attorney's fees which may be incurred by CLIENT as a result of any of CONDITIONER'S work, labor, duties and/or obligations pursuant to the terms and conditions of this Agreement.

H. FORCE MAJEURE:

Neither party will be liable for any delay or failure to perform under this agreement when any such delay or failure is caused (directly or indirectly) by, flood, invasion, or war (present or future); act restraint, requisition, regulation, or direction of government, voluntary or mandatory compliance by buyer or producer with any request by the United States government, or any officer, department, agency or committee thereof for purposes of national defense; shortage of labor, fuel or power; inability or delays of transportation facilities; any act of God or any cause (whether similar or dis-similar to the foregoing) beyond the reasonable control of either party.

Conditions specified in the agreement are binding on heirs, successors or assigns of the parties hereto. This represents the entire agreement between parties and any modifications will be in writing and signed by both parties. This agreement is governed by the laws of the state of Missouri and any actions which may be brought as a result of this Agreement shall be in Saline County, Missouri.

CONDITIONER

CLIENT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____