

OPERATIONAL MANUAL NORTHERN GROWERS, LLC

Pursuant to the Trading Service Agreement, Northern Growers, LLC (“Northern Growers”) and FNC Ag Stock, LLC (“FNC”), hereby agree to the following rules and procedures for the trading of capital units, payment for capital units, and delivery of all necessary agreements for the effective trading of capital units.

I. Trading Periods

Sellers may post offers to sell capital units and purchasers may post offers to purchase capital units on the Trading Service (TS) during any business day of the year. Offers to sell will be matched with offers to purchase on a rolling, daily basis after the Offer to Sell has been posted for 15 days. Trades will be completed four times a year on the first day of each quarter beginning on January 1, April 1, July 1 and October 1. Trades will be coordinated upon final notification of acceptance from Northern Growers’ transfer agent (the “Transfer Agent”).

II. Trading Rules

1. Non-firm quotes. All offers to sell and purchase posted to the TS shall be considered non-firm.
2. Access to Offers to Sell. FNC shall provide, orally or in writing, to persons that inquire all offers to sell posted to the TS as of the day of the inquiry. FNC shall provide such information, either orally or in writing, within a reasonable period of time following such request.
3. Access to Offer to Purchase. FNC shall provide, orally or in writing, to persons who inquire, all offers to purchase posted to the TS as of the date of the inquiry. FNC shall provide such information either orally or in writing within a reasonable amount of time following such request.
 If FNC receives multiple offers to purchase, which exceed a posted asking price, and FNC has not yet been able to contact the eligible seller to describe the multiple offers, FNC shall make reasonable efforts to contact each of the prospective purchasers, such obligation to contact purchasers terminating at the end of the next business day. Upon contacting each of the prospective purchasers, FNC shall provide to each of the purchasers the following information:

- a. There are multiple bids posted to the TS which are eligible for matching with a seller's offer to sell;
 - b. The bid price and the quantity of capital units in the offers to purchase;
 - c. The ask price and quantity of capital units in the offer to sell; and
 - d. The prospective purchasers opportunity to submit to FNC a higher bid price by the end of the next business day. The prospective purchaser who then submits the next highest bid price within the applicable time period shall be first eligible for matching with the offer to sell.
4. Increments. Offers to sell and offers to purchase capital units must be made in whole units, in increments of at least 500 capital units (e.g. 500, 1,000, etc. capital units) and a purchase price per capital unit in whole dollars and cents. No offer to sell or purchase of partial or fractionalized capital units may be posted to the TS.
 5. Selection of Offers to Purchase. Offers to purchase may be submitted to the TS for or against any offers to sell posted to the TS. Offers to purchase shall not be eligible for matching and acceptance by the seller prior to the 15th day after which an offer to sell it posted to the TS. If multiple offers to purchase are submitted between and including the 15th day of an offer to sell being posted to the TS, the offer to purchase for the highest bid price as of the 16th calendar day, shall be given the first opportunity to purchase.
 6. Waiting period. An offer to purchase may not be accepted by the seller prior to the 16th calendar day after the offer to sell is posted to the TS.
 7. Modification of offers. An offer to sell may be modified by the seller at any time, subject however to the restriction that an offer to purchase cannot be accepted by a seller prior to the 16th calendar day after the modified offer to sell is posted to the TS. Said modification shall not alter or extend the 120-day maximum period the capital units can be posted for sale by the TS. If FNC communicates to a seller an offer to purchase and the offer to purchase is at a bid price equal to or in excess of the seller's ask price, and if the seller declines to accept the offer to purchase for the bid price, seller shall either set a new ask price (non-firm) or request cancellation of the offer to sell. If the seller sets a new ask price (non-firm), the seller's ask price shall not be eligible for acceptance until the 16th day after which the modified offer is communicated to FNC and posted to the TS.
 8. Cancellation of offers. Sellers may cancel an offer to sell at any time prior to the acceptance of an offer to purchase. All offers to purchase (bids) may be 3

cancelled by contacting FNC by telephone or in writing at any time prior to an agreement for sale being reached by seller and purchaser (communication of an offer and acceptance).

9. Matching order rules. Matching of offers to sell and offers to purchase shall be governed according to the following principles and order of priority -- Price, Priority, Precedence, and Parity -- using the following methodology.

a. For multiple sellers, seller with the lowest asking price in the offer to sell for readily available capital units is offered the first opportunity to sell. For multiple purchasers, a purchaser with highest bid price in the offer to purchase has first opportunity to purchase, except in the case of multiple purchasers who post a bid price exceeding an eligible offer to sell, in which case, Section II (3) above shall control.

b. For multiple sellers at same asking price, seller who posted the offer to sell capital units first in time has priority. For multiple purchasers at same bid price, a purchaser who posted an offer to purchase first in time has priority.

c. After price and priority, precedence is given to the seller or purchaser with the largest order.

d) For multiple offers to purchase which are at or exceed an asking price eligible for matching and which are posted between the 1st and 15th calendar day after an offer to sell has been posted to the Trading Service, FNC shall make reasonable efforts to contact all such bidders at the end of the day of the 15th calendar day, and inform them of the multiple bids, at which time each bidder will be allowed to submit one final bid.

e. If neither priority nor precedence can be established (parity), prevailing seller or purchaser is selected randomly.

10. Closing date; Purchase Price. Closing of the sale, at which time the net proceeds will be forwarded to the seller, shall not take place prior to 45 days after the offer to sell is posted to the TS. The purchase price for each sale shall be the bid price stated in the offer to purchase that is matched with the offer to sell.

11. Removal. Offers to sell and offers to purchase may be posted to and listed on the TS for a maximum of 120 days. Any offer to sell or purchase that has not been matched at the end of the 120 days shall be removed from the TS.

12. Eligibility for future posting. A seller whose offer to sell has not been matched within 120 days and consequently whose offer to sell has been removed from the TS will not be eligible to post a new or subsequent offer to sell unless and until 60 calendar days have expired from the date of the previous offer to sell's removal from the TS. Purchasers will be eligible to repost any offer to purchase immediately after it is removed. 4

III. *Trading, Payment and Transfer Procedures*

1. Listing Agreement. To be eligible to sell capital units, the seller and FNC must sign a Listing Agreement authorizing FNC to seek a purchaser for capital units. The Listing Agreement will specify and include:
 - # Number of capital units offered for sale;
 - ⌚ Price per capital unit;
 - ⌚ Expiration date;
 - ⌚ Listing date;
 - ⌚ Responsibilities and obligations of seller and FNC;
 - ⌚ Obligation of FNC to secure 100% of purchase price;
 - ⌚ Sales commission rate and minimum.
2. Placing offers to purchase. Prospective purchasers who desire to place an offer to purchase may contact FNC in person, or by telephone, e-mail, or the Internet, for capital unit availability and prices. An offer to purchase may be made at the lowest listed asking price or any other price.
3. Communication of offer to purchase to seller. Once an offer to purchase is made that equals or exceeds the asking price of one or more listed offers for sale, the eligible offer to purchase is communicated to the seller having the lowest asking price for readily available capital units in accordance with the matching order rules as described above. FNC will use its best efforts to contact eligible sellers; however, if FNC is unable to make contact with a seller within a reasonable time according to its best judgment, FNC will communicate said offer to next eligible seller. After communication of offer to purchase to seller, if offer to purchase is at or above the posted asking price, seller has option to accept or reject offer to purchase.
4. Contract for sale. Upon verbal agreement for sale between a purchaser and seller, FNC will generate and send to purchaser a Contract for Sale and a counterpart signature page to the Operating Agreement
 - a. Purchaser shall be obligated to fully execute and return to FNC said Contract for Sale, an earnest money deposit equal to 100% of the accepted purchase price (check made payable to “Alerus Financial, Escrow Agent”) an executed Operating Agreement if a new member of Northern Growers, and a new member administrative fee of \$100.00 (check made payable to “Northern Growers, LLC”), within ten (10) days of receipt of the Contract for Sale, provided that, in FNC’ discretion, for sales of capital units exceeding \$10,000, FNC may allow the purchaser to make an earnest money deposit of not less than 20% of the purchase price with the balance due upon demand.

- b. Upon receipt of the purchaser's executed Contract for Sale and earnest money, FNC will immediately deposit the earnest money into a non-interest bearing escrow account at Alerus Financial, N.A. ("Escrow Agent") and forward the Contract for Sale to the seller for signature.
 - c. Seller shall be obligated to fully execute and return to FNC said Contract for Sale and to Northern Growers the capital units certificates (or a satisfactory lost certificate affidavit) both within ten (10) days of the date it is sent by FNC. If the seller fails to sign and return such documents as required, he or she shall be responsible for the amount of the commission that would have been due if the transaction had been completed.
6. Balance of the Purchase Price. Purchaser shall be required to submit any remaining balance of the purchase price to FNC (check made payable to "Alerus Financial, Escrow Agent") within ten (10) days of demand made by FNC.. Any purchaser who fails to submit the balance of the purchase price as required shall forfeit 20% of the purchase price from the deposit, which shall be transferred to the seller by the Escrow Agent, less an amount equal to the commission that would have been due if the transaction had been completed, which will be paid to FNC by the Escrow Agent.
7. Completion of Sale. No later than twenty (20) days prior to the end of each quarter FNC will forward all Contracts for Sale and other documents relating to each match of capital units listed for sale prior to the 45th day preceding the end of the quarter together with proof of purchaser's 100% remittance, to Northern Growers' Transfer Agent for issuance of the seller's capital units certificate to the purchaser. Upon FNC' receipt of notice from the Transfer Agent that the seller's capital units certificate is being issued to the purchaser on the effective date, FNC shall direct the Escrow Agent to transfer the sale proceeds (purchase price minus commission) to the seller on the effective date (see below). On or shortly following the effective date, the Transfer Agent will send the reissued certificate to the purchaser, and new members may also receive additional documentation. If any liens or restrictions on the capital units prevent the transfer agent from processing the sale, FNC shall direct the Escrow Agent to refund the entire amount deposited to the purchaser within 10 business days of receipt of notification of such determination.
8. FNC' commission. Prior to the Escrow Agent's transfer of the sale proceeds to the seller, the Escrow Agent shall deduct an amount representing the sales' commission and transfer such commission to FNC. The commission will be 3% of the purchase price, with a \$250 minimum. 6
9. Trade effective date. All sales and transfers shall be effective upon the first day of the quarter following a match if 45 days has expired since the offer to sell was posted. If the offer to sell is posted during the last 45 days of the quarter, the sale will be effective on the first day of the next following quarter. For example, if an offer to sell is submitted between January 1 and February 13, the trade will be effective on April 1 if buyer and seller meet the above delivery deadlines. On the other hand, if the offer to sell is posted after February 13, the trade will not be effective until July 1 even if all delivery deadlines are met.