

PRESTON GROWERS CO-OP, INC.
MEMBERSHIP AGREEMENT

I, _____ (the "Producer") agree to become a
[PLEASE PRINT FULL NAME]
member of the PRESTON GROWERS CO-OP, INC. ("Cooperative") and agree to the following
terms and conditions of membership and service.

The Producer:

1. Affirms that they reside within the service territory of the Cooperative.
2. Agrees to appoint the Cooperative as agent to sell certain agricultural products of Producer under a marketing contract(s) to be entered into with the Cooperative, and further agrees to be bound by its articles of incorporation, bylaws, rules, and regulations as now or hereafter adopted by the Board of Directors of the Cooperative.
3. Agrees to pay to the Cooperative the membership fee established by the Board of Directors.
4. Will deliver such products at such times and to such places according to the standards as prescribed by the Cooperative under a marketing contract(s) to be entered into with the Cooperative.
5. Agrees that it is the responsibility of the Producer to resolve any liens on their products marketed through the cooperative.
6. Will provide capital in such amounts and in such a manner as may be provided by the Board of Directors.
7. Will not, directly or indirectly, acting alone or in conjunction with others:
 - (a) Engage as a director, officer, owner, partner, employee, or in any other capacity, in any business in competition with any business then being conducted by the Cooperative where the business of the Cooperative is then being conducted;
 - (b) Request any customers of any business then being conducted by the Cooperative to curtail or cancel their business with the Cooperative;
 - (c) Solicit, canvass or accept any business or transaction for any other person, firm or corporation or business similar to any business of the Cooperative; and
 - (d) Act or conduct itself in any manner which it shall have reason to believe is unfavorable or contrary to the best interests of the Cooperative.
8. Further acknowledges and agrees as follows: Through the Producer's membership in the Cooperative, the Producer may acquire knowledge of the entities that transact business with the Cooperative, and may acquire Confidential Information involving client lists, marketing, sales, employee compensation and finances. By signing this Agreement, and in consideration of the Cooperative's provision of Confidential Information to the Producer, the Producer agrees that during the Producer's membership in the Cooperative, and for a period of two years immediately following the termination of such membership, the Producer will not directly or indirectly render services to or for, or transact any sale or purchase of agricultural goods or services with, any person, firm, corporation or business that had been directly or indirectly involved in transacting sales or purchases of agricultural goods or services with the Cooperative within the counties in which the Cooperative has customarily conducted business during the period of the undersigned Producer's membership. This Paragraph 8 consists of a cooperative non-competition agreement that is tailored expressly to protect the Cooperative's legitimate commercial and policy interests in promoting its cooperative enterprise, and that is consistent with the State of West

Virginia's public policies, including the policy of recognizing multi-stakeholder cooperatives and the policy of not deeming the agreements between such cooperatives and their members to be in unlawful restraint of trade. If the Producer wishes to request a waiver of this Paragraph in whole or in part, the Producer may make such request to the Board of the Cooperative, which shall approve such request only if it is in the best interest of the Cooperative as determined exclusively by the sound discretion of the Board.

9. Will attend trainings and classes arranged by the Cooperative to improve the quality of products offered for sale.
10. Will maintain a minimum of \$1,000,000 of commercial liability insurance.
11. Will offer for sale only products grown in your own farming operation unless specifically requested or approved by the Board of Directors.
12. Will become GAP Certified for those products that fall under GAP Certification guidelines within a period of 18 months after becoming a member. Members who are serving only in an advisory capacity and not selling products through the coop are exempt from this requirement.
13. Understands and consents that, in accordance with the bylaws, the amount of any distributions with respect to patronage which are made, and which are received by the member from this Cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. § 1385(a) in the taxable year in which the written notices of allocation are received.
14. Acknowledges that the Producer has read and understands this entire Agreement, and all of the documents referenced herein, and that, following an opportunity to consult with independent counsel, indicates and warrants that the Producer understands this Agreement, including the important rights and duties arising from this Agreement, and freely assents to this Agreement.

By execution of its duly authorized officer below, the Cooperative:

1. Accepts the application of Producer for membership in the Cooperative, and upon payment of the established membership fee, shall issue shares of membership stock in the Cooperative, in accordance with the provisions of the bylaws, to the Producer, entitling the Producer to all rights and privileges of membership.
2. Agrees to act as agent for the marketing of products of Producer as herein provided until and unless such membership is terminated in accordance with the bylaws Section 1.2.
3. Will dispose of Producer's products in a manner deemed to be most advantageous for its members.
4. Will account to the Producer in accordance with all marketing contracts for all amounts received from the sale of agricultural products as herein provided.
5. Will reflect in an appropriate capital account the capital received from each member.
6. Will not engage in any capacity in any business in competition with any business having been previously established the Producer where the business of the Producer is then being conducted unless approved by the Board of Directors for the benefit of the entire Cooperative membership

Signature of Member
(if Member is a corporation, an authorized officer must sign)

EIN of Business

Address

City State Zip Code

Telephone No.

E-mail

Designated Voting Member _____
Eligible Proxies (in order of priority) _____

Accepted by Preston Growers Group this _____ day of _____, 20__

By: _____
President

DO NOT WRITE IN SPACE BELOW – FOR OFFICE USE ONLY

Amount Date Recorded By

Membership Fee Paid _____ _____ _____

Membership Stock Certificate Issued _____ _____

Account No.: _____