

**BUSHMILLS ETHANOL, INC.
UNIT TRANSFER APPLICATION
PATRON MEMBERSHIP UNITS**

A. General Instructions.

1. The person or entity transferring the units of Bushmills Ethanol, Inc. ("Transferor") and the person or entity acquiring the units ("Transferee") must complete all respective information required in this Unit Transfer Application, and date and sign this Unit Transfer Application at page 8.

2. Transferor must execute the reverse side of the certificate(s) representing Transferor's Units in Bushmills Ethanol, Inc. ("Bushmills" or "Cooperative")

3. If Transferee is not currently a member of the Cooperative, Transferee must agree to pay a membership fee in the amount of five hundred dollars (\$500.00) by enclosing a personal or business check in that amount with the delivery of this Membership Application to the Cooperative. This amount will be refunded if the Board of Directors does not approve Transferee for membership. If the Transferee is currently a member of the Cooperative, the Transferee is not required to pay the membership fee with this application.

4. Transferee applying for transfer of units, in addition to submitting this fully completed Membership Application, must date and sign the attached Corn Delivery Agreement and submit the same to the Cooperative at the time this form is submitted to the Cooperative for consideration.

5. The parties should deliver each of the original executed documents referenced in Items 1 through 4 of these Instructions to:

Bushmills Ethanol, Inc.
17025 Hwy 12 NE
Atwater, MN 56209-9684

6. To qualify for membership in the Cooperative, the applicant must be or become a holder of at least two (2) units.

7. The transfer is not effective until it has been accepted by the Cooperative.

All persons, whether the person be an individual, a partnership, a firm, a corporation, a limited liability company, an unincorporated association, or a cooperative must satisfy the qualifications referenced in Items 1 through 7 of these Instructions to be admitted as a Member.

B. Transferor Information. Please print your individual or entity name and address. Joint owners should provide their respective names.

- 1. Transferor's Printed Name: _____
- 2. Title, if applicable: _____
- 3. Transferor's Address: _____
Street _____
City, State, Zip Code _____

C. **Transferee Information.** Please print your individual or entity name and address. Joint owners should provide their respective names.

1. Transferee's Printed Name: _____
2. Title, if applicable: _____
3. Transferee's Address: _____
Street _____
City, State, Zip Code _____
4. Transferee is a resident of (check the appropriate state and identify county):
 Minnesota, County of _____
 Other State and County (please identify both) _____

D. **Transfer Information.**

1. Identifying number(s) of the unit certificate(s) affected: _____
2. Original dates of the unit certificates affected: _____
3. Number of Units Transferred: _____
4. Price Per Unit: _____
5. Total Price: _____

E. **Type of Transfer.** Transferor should check the appropriate box (or boxes) to indicate the type of transfer.

- (1) A transfer to Transferor's administrator, trustee, creditor, or other to whom such membership units are transferred involuntarily by operation of law.
- (2) A transfer without consideration to or in trust for descendants of a Member of Bushmills Ethanol, Inc.
- (3) A transfer permitted by Article V, Section 3 of the Bylaws to a person that is an affiliate or related party defined as follows: (Circle One)

a. "Affiliate" means, with respect to any Person (i) any Person directly or indirectly controlling, controlled by or under common control with such Person (ii) any officer, director, general partner, member or trustee of any such Person or (iii) any Person who is an officer, director, general partner, member or trustee of any Person described in clauses (i) or (ii) of this sentence. For purposes of this definition, the terms "controlling," "controlled by" or "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, or the power to elect at least 50% of the directors, members, or persons exercising similar authority with respect to such Person.

b. "Related Party" means the adopted or birth relatives of any Person and such Person's spouse (whether by marriage or common law), if any,

including without limitation great-grandparents, grandparents, children (including stepchildren and adopted children), grandchildren, and great-grandchildren thereof, and such Person's (and such Person's spouse's) brothers, sisters, and cousins and their respective lineal ancestors and descendants, and any other ancestors and/or descendants, and any spouse of any of the foregoing, each trust created for the exclusive benefit of one or more of the foregoing, and the successors, assigns, heirs, executors, personal representatives and estates of any of the foregoing.

- (4) A transfer for value to a third party to be considered for approval by a majority of the Directors, as shown on page 9 of this Transfer Application.

If the transfer is to a trust, please provide copies of the following pages of the trust instrument: title page, signature page, and the page that identifies the Trustee(s).

If the transfer is requested due to a Member's death, please provide a certified copy of the death certificate, letters of appointment of executor or administrator, and designation of attorney form.

Pursuant to Article V, Sections 3 and 4(e) of the Bylaws, a transfer cannot be made that will cause the Cooperative to cease to qualify as a Cooperative, without approval by the Board and 75% of the Members.

F. Additional Transferee Information. The Transferee, named above, certifies the following under penalties of perjury:

1. **Form of Ownership.** Check the appropriate box (one only) to indicate form of ownership. If the Transferee is a Custodian, Corporation, Partnership or Trust, please provide the additional information requested.

- Individual
- Joint Tenants with Right of Survivorship (Both signatures must appear on page 8)
- Corporation or Partnership (Corporate Resolutions or Partnership Agreement must be enclosed)
- Trust (Signature and title pages of Trust Agreement and all amendments must be enclosed)

Trustee's Name: _____

Trust Date: _____

- Other: Provide detailed information below.

2. **Transferee's Taxpayer Information.** Check the appropriate box if you are a non-resident alien, a U.S. Citizen residing outside the United States or subject to back-up withholding. KEOGHS should provide the taxpayer identification number of the account and the social security number of the accountholder. Trusts should provide their taxpayer identification number. Custodians should provide the minor's social security number. All individual transferees and IRA transferees should provide their social security number. Other entities should provide their taxpayer identification number.

- Check box if you are a non-resident alien
 Check box if you are a U.S. citizen residing outside of the United States
 Check this box if you are subject to backup withholding

Transferee's Social Security No. _____

Joint Transferee's Social Security No. _____

Taxpayer Identification No. _____

3. **Member Report Address.** If Transferee would like duplicate copies of member reports sent to an address that is different than the address identified in section C, please complete this section.

Address: _____

4. **Transferee's Representations and Warranties.** You must read and certify your representations and warranties and sign and date this Unit Transfer Application.

By signing below, Transferee represents and warrants to Bushmills Ethanol, Inc. ("Bushmills") that he, she or it:

- a. is a producer of agricultural products or an association of producers of agricultural products. The term "producer" is defined as a Person engaged in "farming," including a tenant of land used in the production of agricultural crops, and landlords of land subject to lease and used in "farming" activities and who receive as rent part of the agricultural crops produced on such land. The term "farming" is defined as the production of agricultural crops, and the production of livestock or livestock products, poultry or poultry products, milk or dairy products, or fruit or other horticultural products
- b. intends to acquire the units for his/her/its own account without a view to public distribution or resale and that he/she/it has no contract, undertaking, agreement or arrangement to sell or otherwise transfer or dispose of any units or any portion thereof to any other person;
- c. understands and agrees that a Member's membership shall terminate upon death or dissolution of the Member. The Board, in its sole discretion, may terminate a Member's membership upon a Member's attempted transfer of

his, her or its Patron Membership Units in violation of the transfer restrictions set forth herein or for any of the reasons provided in Section 308B.501 Subd.3 of the Act or for breach of the Member's Corn Delivery Agreement. The Cooperative, at its discretion, upon termination of membership may require the Patron Member to transfer the Patron Member's Patron Units in accordance with the recall provisions of Section 17 of Article V of the Bylaws.

- d. understands that there is no present market for Bushmills' membership units, that the membership units will not trade on an exchange or automatic quotation system, that no such market is expected to develop in the future and that *there are significant restrictions on the transferability of the membership units*;
- e. has received a copy of the Bushmills Bylaws, and understands that the Transferee and the membership units will be bound by the provisions of the Bylaws which contains, among other things, provisions that restrict the transfer of membership units;
- f. understands that the units are subject to substantial restrictions on transfer under state securities laws along with restrictions in the Bushmills Bylaws and agrees that if the membership units or any part thereof are sold or distributed in the future, the Transferee shall sell or distribute them pursuant to the terms of the Bylaws, and the requirements of the Securities Act of 1933, as amended, and applicable state securities laws;
- g. represents that the Transferee has such knowledge and experience in financial and business matters that Transferee is capable of reading and interpreting financial statements and evaluating the merits and risks of the prospective investment in the units and has the net worth to undertake such risk.
- h. acknowledges that the Transferee has had the opportunity to obtain and has obtained, to the extent Transferee deems necessary, professional advice with respect to the risks inherent in the investment in the units, and the suitability of the investment in the units in light of Transferee's financial condition and investment needs.
- i. believes that the investment in the units is suitable for Transferee based upon Transferee's investment objectives and financial needs and that the undersigned has adequate means of providing for Transferee's current financial needs and personal contingencies and has no need for liquidity of the investment with respect to the units.
- j. agrees to indemnify and hold Bushmills harmless for any damage, loss, cost, or liability (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from the improper transfer of units from the Transferor to the Transferee;

- k. understands that Bushmills will place a restrictive legend on any certificate representing any unit containing substantially the following language as the same may be amended by the Directors of Bushmills in their sole discretion:

THE UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR PURSUANT TO THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE, AND THE TRANSFERABILITY OF THESE UNITS IS THEREFORE RESTRICTED. THE UNITS MAY NOT BE SOLD, ASSIGNED OR TRANSFERRED, NOR WILL ANY ASSIGNEE, VENDEE, TRANSFEREE OR ENDORSEE THEREOF BE RECOGNIZED AS HAVING AN INTEREST IN SUCH UNITS BY THE COOPERATIVE FOR ANY PURPOSE, UNLESS: (I) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, WITH RESPECT TO SUCH UNITS SHALL THEN BE IN EFFECT AND SUCH TRANSFERS HAVE BEEN QUALIFIED UNDER THE APPLICABLE STATE SECURITIES LAWS; OR (II) THE AVAILABILITY OF EXEMPTION FROM SUCH REGISTRATION QUALIFICATIONS SHALL BE ESTABLISHED TO THE REASONABLE SATISFACTION OF COUNSEL FOR THE COOPERATIVE.

ANY SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE IS FURTHER RESTRICTED BY AND SUBJECT TO THE TERMS AND PROVISIONS OF THE BYLAWS OF THE COOPERATIVE, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME. A COPY OF SAID BYLAWS IS ON FILE WITH THE COOPERATIVE.

; and

- l. understands that, to enforce the above legend, Bushmills may place a stop transfer order with its registrar and stock transfer agent (if any) covering all certificates representing any of the membership units.

5. **Transferor's Representations and Warranties.** By signing below, Transferor represents and warrants to Bushmills Ethanol, Inc. that he/she/it:

- a. agrees to indemnify and hold the Cooperative harmless for any damage, loss, cost, or liability (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from the improper transfer of units from the Transferor to the Transferee;
- b. acknowledges that unless it is the holder of a minimum of 2 units following the transfer contemplated by this Membership Application, his/her/its membership in the Cooperative shall terminate.
- c. agrees that upon the acceptance of this Membership Application by the Cooperative his/her/its rights and obligations under the Corn Delivery Agreement are terminated with respect to the transferred units set forth in Section D of this Unit Transfer Application.
- d. agrees that in the event he/she/it is the holder of at least one but less than 2 units following the transfer contemplated by this Membership Application, his/her/its obligation under the Corn Delivery Agreement will continue with respect to the remaining unit held.

[SIGNATURES ON NEXT PAGE]

Signature of Transferor/ Joint Transferor:

The undersigned Transferor(s) hereby certifies (certify) that the representations and warranties in this Unit Transfer Application are true and correct. The undersigned Transferor(s) does (do) hereby irrevocably constitute and appoint the officers of Bushmills Ethanol, Inc. as attorney-in-fact to transfer the said units as the case may be on the books of said cooperative, with full power of substitution in the premises.

Date: _____

Individuals:

Entities:

Name of Individual Transferor (Please Print)

Name of Entity (Please Print)

Signature of Individual

Print Name and Title of Officer

Name of Joint Transferor (Please Print)

Signature of Officer

Signature of Joint Transferor

Signature of Transferee/ Joint Transferee:

The undersigned Transferee(s) hereby certifies (certify) that the representations and warranties in this Unit Transfer Application are true and correct.

Date: _____

Individuals:

Entities:

Name of Individual Transferee (Please Print)

Name of Entity (Please Print)

Signature of Individual

Print Name and Title of Officer

Name of Joint Transferee (Please Print)

Signature of Officer

Signature of Joint Transferee

[THIS PAGE IS FOR THE COOPERATIVE'S USE ONLY]

APPROVAL OR DISAPPROVAL OF MEMBERSHIP BY BUSHMILLS ETHANOL, INC.

Pursuant to Article V, Section 3 of the Bylaws of Bushmills Ethanol, Inc., Transferee's application for membership is:

APPROVED DISAPPROVED

by the Directors by an action taken on _____, 20____. Bushmills Ethanol, Inc. additionally approves the transfer of the above membership units to the party as described in this Unit Transfer Application.

Dated this ____ day of _____, 20____.

BUSHMILLS ETHANOL, INC.

By: _____

Its: _____