



ACCOUNT APPLICATION, ACCOUNT AGREEMENT, SECURITY AGREEMENT, AND FINANCING STATEMENT WITH NORTHEAST TEXAS FARMERS CO-OP

Mail to: P.O. Box 489, Sulphur Springs, Tx. 75483

FOR OFFICE USE ONLY	
Acct. No.	_____
Membership	Y () N ()
Charge	Y () N ()
Tax Exempt	__Y__N
Taken by	_____
Approved by	_____
Code	_____
Date	_____
Sent Letter	__Y__N
Date Set up	_____
Set Up by	_____

Date: _____

PART I: ACCOUNT APPLICATION

Account Name							
Physical Address		City	State	Zip			
Mailing Address (if different from above)		City	State	Zip			
Date of Birth		Type of Business	Give assumed name, if any				
Type of Account:							
Corporation ()		Partnership ()	Individual ()	Husband & Wife ()	Other ()		
If corporation, give correct name, state incorporated in, and date incorporated							
Driver's License #		Social Security No.		Bus. Phone (Barn Phone) ()		Email	
O W N E R S	Name 1.		Home Address	City	State	Zip	Home Phone ()
	Name 2.		Home Address	City	State	Zip	Home Phone ()
	Name 3.		Home Address	City	State	Zip	Home Phone ()

REFERENCES

BANK

1. Bank Name				Account No.	
Address		City	State	Zip	Phone no. ()
2. Bank Name				Account No.	
Address		City	State	Zip	Phone no. ()

The undersigned applicant, whether one or more, ("Undersigned") certifies that the information on this Account Application is correct and hereby gives the Northeast Texas Farmers Co-op ("Co-op") authorization to contact references and conduct a credit investigation. The Undersigned understands that the Northeast Texas Farmers Co-op may extend charge account privileges based on this application and its accuracy, but is not obliged to do so.

PART II: ACCOUNT AGREEMENT

For the feed and any other merchandise sold to the Undersigned on or after the date of this agreement, the Undersigned agrees to pay to Northeast Texas Farmers Co-op at 428 North Jackson Street, Sulphur Springs, Hopkins County, Texas, the balance of all sums due on the undersigned account. All sums placed on the account are due and payable as follows:

STATEMENTS: are prepared as of the close of business on the 15th and the last day of each month (excluding Sunday and Holidays); however, accounts with a balance of less than \$300 as of the 15th of the month receive only one statement on the last day of the month.

TERMS: Payment of your previous statement balance is due on or before the next statement run date (15th and last day of the month). Accounts receiving only one statement at the end of the month are due on the 15th of the following month (excluding Sunday and Holidays). For mail in payments to be considered timely, your envelope must be postmarked no later than the 15th or last day of each month (excluding Sunday and Holidays).

***CASH DISCOUNTS:** Effective August 1, 2004 only MEMBERS of Northeast Texas Farmers Co-op will be eligible for cash discounts. Some items may be excluded from cash discounts.

2% (two percent) cash discount will be given on balances equal to or in excess of \$100 at the time of payment, provided payment is received in its entirety according to the TERMS outlined above. Partial payments are not eligible to receive cash discount until the partial payments complete the balance due in its entirety, at which time, the full discount may be applied, providing all other terms are met.

A 2% (two percent) discount will be given on cash transactions (point of sale) equal to or in excess of \$100.00 providing the account is considered in good standing. Accounts past due and/or placed on a check or cash only basis, are not considered in good standing. Management reserves the right to determine the status of each and every account in this regard.

***CASH IS CONSIDERED TO BE CURRENCY OR CHECKS DRAWN ON LOCAL BANKS.** Use of Credit/Debit cards are not eligible due to the fees imposed upon their use.

FINANCE CHARGE: A finance charge of 1.5% will be applied to the previous month's ending balance, or any portion of, that remains unpaid on the twentieth (20th) of the following month. This procedure allows from twenty (20) to fifty (50) days interest free before finance charges apply, depending on the date of the transaction. The minimum finance charge will be \$1.00.

STATEMENT OR INVOICE ERRORS: It is Undersigned's obligation to promptly examine for errors each invoice and statement received regarding Undersigned's account, and to notify the Co-op in writing of such errors within thirty (30) days after receipt of such invoice or statement. Failure to timely give such written notification shall create a presumption as to the accuracy of such statement or invoice. If at any time Undersigned has any problem with service, account or billing, Undersigned shall notify the Co-op's office. Notice to the driver of a Co-op truck will not be considered notice to the Co-op.

CREDIT CHECKS: Undersigned agrees that Co-op has the right, as often as it may deem necessary, to receive from any bank, savings institution or credit reference which has been named in the foregoing credit application, all information concerning financial status from each reference; and that the Co-op has the right to investigate credit information from any other source, and has the right to verify credit references given, and to report the way this account is paid to credit bureaus.

DEFAULT: If the account is not paid as provided above, then this account is in default, and Co-op may proceed to collect the account. If Co-op pursues collection activities upon default by legal action or otherwise, Co-op shall have all remedies available by law including, without limitation, the right to receive collection fees, hot check charges, reasonable attorneys fees, court costs and expenses provided by law.

DELAY TAKING ACTION: Co-op will not lose any of its rights under this Agreement if it delays taking action for any reason. To the extent allowed by law, Co-op may take other action not described in this Agreement, and by doing so will not lose its rights under this Agreement.

CHANGE OF TERMS: Co-op may, at any time and subject to applicable law: a) terminate this Agreement; b) place restrictions on Undersigned's account; c) change any other terms and conditions of this Agreement relating to Undersigned's Account (including increasing the periodic rate of Finance Charge, increasing or adding fees or charges, or changing the method of computing the balance upon which Finance Charges are assessed) by mailing written notice to Undersigned in accordance with applicable law. Subject to applicable law, Co-op may apply such change to the outstanding balance of Undersigned's Account on the effective date of the change and to new balances after that date. Use of the Account by Undersigned or anyone Undersigned authorizes after that date constitutes acceptance of the new terms.

TERMINATION: Co-op retains the right to terminate this account agreement at any time without giving prior notice of such termination. Balances outstanding under this Agreement when Undersigned's account is terminated will continue to accrue Finance Charges until paid in full.

PHONE ORDERS: Undersigned agrees that the terms and conditions of this account agreement are binding as to all goods and/or services purchased by phone order from Undersigned or Undersigned's agent(s) and regardless of whether Undersigned or Undersigned's agent(s) sign invoices or sales tickets issued at the time of sale.

RIGHT OF OFFSET: If Undersigned is a member, Undersigned hereby grants to Co-op, at Co-op's sole option, the right of offset against any account indebtedness provided by Article VI, Section 12 of the By-Laws of the Co-op.

AGRICULTURAL CHEMICAL AND SEED LIENS: The sale of agricultural chemicals or agricultural seed on credit and the provision of labor related to agricultural chemicals or agricultural seed is subject to Chapter 128, Texas Agriculture Code. Failure to pay the agreed or reasonable charges for the chemicals, seed, or labor may result in the attachment of a lien to the proceeds of the agricultural products produced with the aid of the chemicals, seed, or labor.

LIENS FOR ANIMAL FEED: The sale of animal feed on credit is subject to Chapter 188, Texas Agriculture Code. Failure to pay the agreed or reasonable charge for the feed may result in the attachment of a lien to the proceeds of the livestock for which the feed is used or the proceeds of the animal products produced from the livestock.

PART III: SECURITY AGREEMENT (APPLIES TO MEMBERS ONLY)

1. To secure Undersigned's payment obligations to the Co-op under the foregoing account agreement, and pursuant to Article VI Sections 12 and 13 of the By-Laws of the Co-op, Undersigned grants to Co-op a security interest in all stock (common and preferred), patron earning notices, book credits and equities of the Co-op, and all dividends declared on such equities by the Co-op now owned or hereafter acquired by Undersigned (collectively the "collateral").
2. If Undersigned defaults in payment or performance of any obligation of the account agreement or any written agreement between Undersigned and Co-op, Co-op may declare the unpaid account balance immediately due, enforce the obligation, and exercise any rights and remedies granted by Chapter 9 of the Texas Business and Commerce Code or by this agreement, including the following:
 - (a) sell, or otherwise dispose of any of the collateral in accord with the rights, remedies, and duties of a secured party under Chapters 2 and 9 of the Texas Business and Commerce Code after giving notice as required by those chapters;
 - (b) offset the present value of the collateral against the unpaid account balance. The present value of the collateral shall be calculated using the method of retirement currently used by the Co-op for the retirement of preferred stock (book equities) pursuant to the By-Laws of the Co-op and by calculating the present value based upon the number of years which Undersigned would otherwise have to wait to receive such equities; and
 - (c) If any disposition of the collateral leaves the obligation unsatisfied, collect the deficiency from Undersigned;
3. Financing Statement. A carbon, photographic, or other reproduction of this agreement or any financing statement covering the collateral is sufficient as a financing statement.
4. Cumulative Remedies. Foreclosure of this security interest by suit does not limit Co-op's remedies, including the right to collateral or offset the value of the collateral under the terms of this agreement. All remedies of Co-op may be exercised at the same or different times, and no remedy shall be a defense to any other. Co-op's rights and remedies include all those granted by law or otherwise, in addition to those specified in this agreement.

PART IV: MISCELLANEOUS

1. SEVERABILITY: The unenforceability of any provision of this agreement will not affect the enforceability or validity of any other provision.
2. APPLICABLE LAW: This agreement will be constructed according to Texas laws.
3. PLACE OF PERFORMANCE: This agreement is to be performed in Hopkins County.
4. SINGULAR AND PLURAL: When the context requires, singular nouns and pronouns include the plural.
5. PRIVACY PRACTICES: Undersigned understands that from time to time Co-op may receive credit information about Undersigned from others, such as stores, other lenders, and credit reporting agencies. Undersigned also understands that Co-op will only give out credit and experience information regarding Undersigned's account to others seeking such information only with signed authority at the time of request.

_____ I/WE WANT TO APPLY FOR A CHARGE ACCOUNT

_____ I/WE DO NOT WANT TO APPLY FOR A CHARGE ACCOUNT

DATED: _____

EACH APPLICANT HERETO SHALL BE PERSONALLY, JOINTLY, AND SEVERALLY BOUND BY THIS AGREEMENT. I UNDERSTAND THE TERMS AND CONDITIONS OF THIS ACCOUNT APPLICATION WHETHER I CHOOSE TO CHARGE OR NOT.

SIGNATURE OF APPLICANT
(Select appropriate line(s))

_____ a Texas General Partnership

PRINTED NAME

By: _____
PRINTED NAME

SIGNATURE OF APPLICANT (Individual)

By: _____
SIGNATURE OF APPLICANT

PRINTED NAME

Its: General Partner
(If a Partnership, each Partner must sign as additional applicant)

SIGNATURE OF APPLICANT (Individual)

_____ a Texas Corporation

PRINTED NAME

By: _____
PRINTED NAME

SIGNATURE OF APPLICANT (Individual)

By: _____
SIGNATURE OF APPLICANT

Its: _____
(If a corporation, shareholders or officers must sign as additional applicants) Attach sheet if needed.

The following Individuals are authorized to use/charge to my (our) account:

