

United Potato Grower Acreage Buy-Down Bid and Contract 2006 Growing Season

United Fresh Potato Growers of Colorado is accepting bids from members for a potential acreage bid buyout. This document serves as the application form and becomes a binding contract upon review and acceptance of bid.

Following is the process/checklist to be followed for submitting bids:

- ❑ Applicants must apply as they farm according to FSA documentation. Farming entities must be the same as they are documented at FSA and total acreages must be reported for all entities of applicant.
- ❑ FSA documentation will be required if not already submitted to United.
 - ❑ Copy of '04 crop report
 - ❑ Maps to verify '04 crop report
 - ❑ '04 crop report and maps for any potato acreage base added since '04 for farming in '06.
 - ❑ ('06 crop report once submitted and signed at FSA must be submitted (July, '06) for verification of acreage planted)
- ❑ Authorization for on-site field inspection and verification by UNITED field personnel authorized by signing this application.
- ❑ Your 2004 base acreage will be calculated using your Membership Agreement.
- ❑ Confidentiality agreement: Signing this bid application obligates applicant to strict confidentiality, i.e. non-disclosure of acreage bid or bid acceptance is required. Violation will cancel bid acceptance and acreage buy-down contract.
- ❑ UNITED Oversight and Accountability Committee may conduct peer review of application and suitability of bid acres if no other verification is available.
- ❑ Member is expected to participate in cost per acre assessment. Assessment will be set by the Board of Directors at \$50 per acre for the 2006 marketing season with 100% due at signing.
- ❑ Members proving a 10% or greater acreage reduction from their 2004 base will not be charged the \$50 assessment. (please indicate below)

Only members who are in good standing and are planting at or below their 2004 base are eligible. If bids are accepted, they will be paid on a per acre basis. Payment will follow the scheduled outline below.

Acres are bid in by individual United members at a dollar value per acre. United is not obligated to accept all or any bids. Bids that are accepted will be evaluated based on the following criteria. These would include but not be limited to:

- Geographic location
- Variety
- Yield potential
- Quality potential
- Uniform criteria
- Most potatoes for the lowest price
- Authenticity etc.

Grower will be responsible for verifying 2004 & 2006 acreage with FSA records. Submitting of a bid constitutes a commitment and contract from grower to plant designated acres, whether the bid is accepted or not.

Any acreage bid buyouts or rejection information will remain confidential and all terms, prices or amounts must remain confidential by both parties. Any breach may cause substantial damage in this industry.

United accepts no liability to grower for any financial increase or loss that may be incurred, projected or estimated as a result of United accepting or rejecting this bid.

Payment Schedule for accepted contracts and bought-down acres will be upon 2006 F.S.A record verification.

Closing date for bids to be received in United Office: MARCH 1, 2006.

Grower Name _____

Address _____

FSA Entities farmed under: _____

2004 Base Acres total for all FSA entities you farmed in 2004, if not already submitted to United.

2006 Acres Total Potatoes intended to plant _____

Russet Acres 2006 _____

Other Fresh Varieties 2006 _____

Yes No

- Is Member selecting the voluntary 10% or greater acreage reduction from their 2004 base? (please indicate)

Acres & Variety submitted for buy-down bid: _____

Bid price per acre submitted _____

Signed _____

Date _____

Execution of this document becomes binding by both parties upon final acceptance.