

APPLICATION FOR MEMBERSHIP

AGRAMARKE QUALITY GRAINS, INC.
 2811 South 11th Street
 St. Joseph, Missouri 64503
 Phone: (816) 901-3141 Email: chagan@lifeline-foods.com

By signing this application to acquire a membership interest in AgraMarke Quality Grains, Inc., a Missouri cooperative association organized under the Nonprofit Cooperative Marketing Law, (the "Cooperative"), the undersigned applicant agrees: (1) to pay a membership fee of \$250; (2) to purchase at least five (5) participation units ("Units") from an existing member of the Cooperative and to hold at least five (5) Units as prescribed by the Board of Directors; (3) that the undersigned will become a voting member in the Cooperative upon fulfilling membership requirements and being accepted by the Cooperative as a member; and (4) that no binding obligation on the Cooperative is being created by the membership agreement other than to grant the rights of membership, which may change from time to time, to the undersigned. The \$250 membership fee required by the Board of Directors will be used for purposes of assisting the Cooperative to meet operational costs. The \$250 membership fee is not transferable, cannot appreciate in value, and is not refundable after the membership has been accepted. Upon acceptance of this application by an authorized agent for the Cooperative, this application for membership will become the Membership Agreement between the undersigned and the Cooperative. The Units in the Cooperative are transferable only with approval of the Board of Directors, and then only to persons or entities eligible to hold the Units.

PLEASE PRINT -- APPLICATION INFORMATION

Applicant Name (Name of Individual or Entity) _____
 Authorized Representative _____
 Address _____
 City _____ State _____ Zip _____ County _____
 Telephone: Home _____ Work _____ Mobile _____
 Fax _____ E-mail Address _____

TYPE OF APPLICANT -- CHECK ONE:

Individual Proprietorship

Social Security Number
Of Individual

Partnership

Corporation

LLC

Other

Federal Tax Identification No.
of Partnership, LLC, Corporation, or Other

OR

Certification - Under the penalties of perjury, I certify that the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me).

Terms and Conditions - I also certify (1) that the applicant is a producer of agricultural products which may include the lessees and tenants of lands used for the production of agricultural products that share in the risk of production; (2) that I have read, understand, and accept the stated terms and conditions applicable to this membership agreement which are set forth above and on the reverse side of this agreement; and (3) that I have been provided with all of the information that I believe to be necessary to a full understanding of the Cooperative.

Please Sign Here	Signature - _____	Date - _____
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Accepted: **AGRAMARKE QUALITY GRAINS, INC.**

By: _____
(Authorized Agent)

Date _____

IMPORTANT: TERMS AND CONDITIONS ARE SET FORTH ON THE FOLLOWING PAGE OF THIS AGREEMENT

THE COOPERATIVE

AgraMarke Quality Grains, Inc., a Missouri nonstock cooperative association organized under the Nonprofit Cooperative Marketing Law (the “Cooperative”), was organized on January 2, 2001. The Cooperative is governed by a Board of Directors whose number and qualifications are prescribed in the Cooperative’s Articles and Bylaws. The Cooperative’s Articles and Bylaws require the Cooperative to operate on a cooperative basis. To become a member, an applicant must submit a completed membership agreement to the Cooperative, pay a \$250 membership fee, and satisfy the membership requirements as provided by the Articles and Bylaws of the Cooperative. Approval of members is by the Board of Directors in its sole discretion.

UNITS AND MEMBERSHIP

The Cooperative is organized with membership interests consisting of 5,000,000 participation units (“Units”). Each member has only one vote in the affairs of the Cooperative, regardless of the number of Units held by the member. Membership is only open to producers of agricultural products and associations of such producers. Producers of agricultural products means persons (including individuals and joint ventures, corporations, partnerships, limited liability companies, limited liability partnerships, unincorporated associations or other legal entities owned or controlled by individual farmers, ranchers or their family groups) that are engaged in the production of agricultural products. Each person who signs this application is certifying that they are an agricultural producer or an association of producers. The Units are transferable only upon approval of the Board of Directors of the Cooperative.

Each person who signs this application understands that membership in the Cooperative is restricted to those persons who meet each of the membership requirements set forth in the Articles and Bylaws of the Cooperative, and as determined by the Board of Directors, and that failure to meet those membership requirements on an ongoing basis will result in termination of membership. As further provided in the Articles and Bylaws, those membership requirements include: (1) becoming the holder of at least five (5) Units as prescribed by the Board of Directors; (2) entering into a Uniform Marketing and Delivery Agreement with the Cooperative; (3) receiving from the Cooperative written notification and a copy of the consent bylaw providing for consent to take patronage distributions and per unit retains into income; and (4) meeting other membership criteria or requirements established from time to time by the Board of Directors.

NOTICE OF ADOPTION OF CONSENT BYLAW

The person who signs this application is hereby notified that the Cooperative has adopted the following “Consent Bylaw” provisions:

Section 8.01. Consent to Take Patronage Distributions Into Income. Each person who hereafter applies for and is accepted to membership in this cooperative and each member of this cooperative as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation (as defined in 26 U.S.C. § 1388), 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 by the member.

Section 10.02. Consent to Take Qualified Per Unit Retains Into Income. Each person who hereafter applies for and is accepted to membership in this cooperative and each member of this cooperative as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any per-unit retain certificate authorized by this bylaw and designated by the Board of Directors to constitute a “qualified per-unit retain certificate,” and which are received by the member from this cooperative, will be taken into account by the member at its stated dollar amount in the manner provided in 26 U.S.C. § 1385(a) in the taxable year in which the qualified per-unit retain certificates are received by the member. The purpose of this consent bylaw is to make a per-unit retain certificate so designated by the Board of Directors a “qualified per-unit retain certificate” within the meaning of 26 U.S.C. § 1388.

STATEMENT OF SIGNIFICANCE OF CONSENT BYLAW

The significance of these bylaw provisions is that by the sole act of becoming a member or continuing as a member in the Cooperative, you agree to take into account in your federal income tax return the stated dollar amount of any “qualified written notices of allocation” distributed to you from the Cooperative and any per-unit retains issued to you by the Cooperative which are designated as “qualified per-unit retains”, in the manner provided in Section 1385(a) of the United States Internal Revenue Code (the “Code”). This means that the stated dollar amount of written notices of allocation and per-unit retains must be included in your taxable income in the year in which received. These terms are defined in Section 1388 of the Code. In addition to any amounts included in your taxable income pursuant to the foregoing, you will also be required to report as taxable income the cash portion of any patronage dividend paid to you by the Cooperative.