

**Adopted: December 17, 2004**

## **OPERATIONAL MANUAL GOLDEN OVAL EGGS**

Pursuant to the Trading Service Agreement, Golden Oval Eggs, LLC ("Golden Oval" and Alerus Securities Corporation ("Alerus"), hereby agree to the following rules and procedures for the trading of equity interests, payment for equity interests, and delivery of all necessary agreements for the effective trading of equity interests.

### ***I. Trading Periods***

Sellers may post offers to sell equity interests during any business day of the year and purchasers may post offers to purchase equity interests on the Trading Service (the "TS") during any business day of the year. Offers to sell will be matched with offers to purchase on a rolling, daily basis after the offer to sell has been posted for 15 days. Trades will be conditioned upon final notification of acceptance from Golden Oval's transfer agent (the "Transfer Agent").

### ***II. Trading Rules***

1. Non-firm quotes. All offers to sell and purchase posted to the TS shall be considered non-firm.
2. Access to Offers to Sell. Alerus shall provide, orally or in writing, to persons that inquire all offers to sell posted to the TS as of the date of the inquiry. Alerus shall provide such information, either orally or in writing, within a reasonable amount of time following such request.
3. Increments. Offers to sell and offers to purchase equity interests must be made in whole interests, in increments of at least one whole equity interest (e.g. 1, 2, etc. equity interests) and a purchase price per equity interest in whole dollars and cents. No offer to sell or purchase of partial or fractionalized equity interests may be posted to the TS. Consideration may be given to granting an exception to this requirement in particular circumstances.
4. Offer to purchase selection. Offers to purchase may be submitted to the TS for or against any offers to sell posted to the TS.
5. Waiting period. An offer to purchase may not be accepted by the seller prior to the 15th calendar day after the offer to sell is posted to the TS.
6. Modification of offers. An offer to sell may be modified by the seller at anytime during the posting period, subject however to the restriction that an offer to purchase cannot be accepted by a seller prior to the 15th calendar day after the modified offer to sell is posted to the TS. Said modification shall not alter or extend the 120-day maximum period the equity interests can be posted for sale by the TS.
7. Cancellation of offers. Sellers may cancel an offer to sell by contacting Alerus by telephone or in writing at any time prior to the acceptance of any offer to purchase. All offers to purchase (bids) may be cancelled at any time prior to an agreement for sale being reached by seller and purchaser (communication of an offer and acceptance).
8. Matching order rules. Matching of offers to sell and offers to purchase shall be governed according to the following principles and order of priority -- Price, Priority, Precedence, and Parity -- using the following methodology.

- a. For multiple sellers, the seller with the lowest asking price in the offer to sell for readily available equity interests is offered the first opportunity to sell. For multiple purchasers, a purchaser with the highest bid price in the offer to purchase has first opportunity to purchase.
- b. For multiple sellers at the same asking price, the seller who posted the offer to sell equity interests first in time has priority. For multiple purchasers at the same bid price, a purchaser who posted an offer to purchase first in time has priority.
- c. After price and priority, precedence is given to the seller or purchaser with the largest order.
- d. If neither priority nor precedence can be established (parity), the prevailing seller or purchaser is selected randomly.

9. Closing date; Purchase Price. Closing of the sale, at which time the net proceeds will be forwarded to the seller, shall not take place prior to 45 days after the offer to sell is posted to the TS. The purchase price for each sale shall be the bid price stated in the offer to purchase that is matched with the offer to sell.

10. Removal. Offers to sell and offers to purchase may be posted to and listed on the TS for a maximum of 120 days. Any offer to sell or purchase that has not been matched at the end of the 120 day period shall be removed from the TS.

11. Eligibility for future posting. A seller whose offer to sell has not been matched within 120 days and consequently whose offer to sell has been removed from the TS, will not be eligible to post a new or subsequent offer to sell unless and until 60 days have expired from the date of the previous offer to sell's removal from the TS. Purchasers will be eligible to repost any offer to purchase immediately after it is removed.

### **III. *Trading, Payment, and Transfer Procedures***

1. Listing Agreement. To be eligible to sell equity interests, the seller and Alerus must sign a Listing Agreement authorizing Alerus to seek a purchaser for equity interests. The Listing Agreement will specify and include:

- Number of equity interests offered for sale;
- Price per equity interest;
- Expiration date;
- Listing date;
- Responsibilities and obligations of seller and Alerus;
- Obligation of Alerus to secure 100% of purchase price; and
- Sales commission rate and minimum commission rate.

2. Placing offers to purchase. Prospective purchasers who desire to place an offer to purchase may contact Alerus in person, by telephone, via e-mail, or through the Internet, for equity interest availability and prices. An offer to purchase may be made at the lowest listed asking price or any other price.

3. Communication of offer to purchase to seller. Once an offer to purchase is made that equals or exceeds the asking price of one or more listed offers for sale, the eligible offer to purchase is communicated to the seller having the lowest asking price for readily available equity interests in accordance with the matching order rules as described above. Alerus will use its best efforts to contact eligible sellers; however, if Alerus is unable to make contact with a seller within a reasonable time according to its best judgment, Alerus will communicate said offer to the next eligible seller. After communication to seller of the offer

to purchase, if the offer to purchase is at or above the posted asking price, the seller has the option to accept or reject the offer to purchase.

4. Contract for sale. Upon verbal agreement for sale between a purchaser and seller, Alerus will generate and send to purchaser a Contract for Sale.

a. The purchaser shall be obligated to fully execute and return to Alerus said Contract for Sale, and full payment of the accepted purchase price (check made payable to "Bremer Bank, Escrow Agent"), within ten (10) calendar days of the date of the Contract for Sale.

b. Upon receipt of the purchaser's executed Contract for Sale and full payment, Alerus will immediately deposit the money into a non-interest bearing escrow account at Bremer Bank, N.A. ("Escrow Agent") and forward to the seller the Contract for Sale for signature.

c. Seller shall be obligated to fully execute and return to Alerus said Contract for Sale within ten (10) calendar days of the date of the Contract for Sale. If the seller fails to sign and return such documents as required, the seller shall be responsible for the amount of the commission that would have been due if the transaction had been completed.

5. Notification by Transfer Agent. Upon receipt of the documents and funds of purchaser, Alerus shall forward to the Transfer Agent the Contract for Sale. The Transfer Agent shall confirm to Alerus approval to complete the transaction or notice that Golden Oval exercises its right of first refusal.

6. Right of First Refusal. If Golden Oval exercises its right of first refusal Alerus shall then notify seller and purchaser that Golden Oval has exercised its right of first refusal and return to the purchaser all funds. In addition, Alerus shall forward to the seller a new Contract for Sale between seller and Golden Oval. Seller shall fully execute the Contract for Sale and return it to Alerus. Upon receipt of the Contract for Sale, Alerus shall notify the Transfer Agent that the Contract for Sale has been signed and received. Golden Oval shall then issue a check for the full amount of the purchase price made payable to the Escrow Agent and forward it to Alerus.

7. Completion of Sale. No later than five days following receipt of the balance of the purchase price, Alerus will forward to the Transfer Agent all Contracts for Sale and other documents relating to each match of equity interests listed for sale. Upon Alerus' receipt of notice from the Transfer Agent that the seller's equity interests certificate is being reissued to the purchaser on the effective date, Alerus shall direct the Escrow Agent to transfer the sale proceeds (purchase price minus commission) to the seller on the effective date (see below).

If any liens or restrictions on the equity interests appear of record, then the Transfer Agent shall inform Alerus, and Alerus shall inform the Escrow Agent, that the sale proceeds must be paid per the lender's instructions. If the lender does not confirm its instructions which prevent the Transfer Agent from processing the sale, Alerus shall direct the Escrow Agent to refund the entire amount deposited to the purchaser within ten (10) business days of receipt of notification of such determination. In this event, Golden Oval shall refund to the purchaser the purchase price.

8. Alerus' commission. Prior to the Escrow Agent's transfer of the sale proceeds to the seller, the Escrow Agent shall deduct an amount representing the sales' commission and transfer such commission to Alerus. The commission shall be three percent (3%) of the purchase price, with a Two Hundred Fifty and No/100 Dollar (\$250.00) minimum commission.

9. Trade effective date. All sales and transfers shall be effective upon the first of the month following the date the transaction is approved by the board.