

CERTIFICATE OF INDEBTEDNESS

Date: _____, 2025

Certificate Selection:

- ☐ Demand Standard Certificate
☐ Demand \$5K Certificate
☐ 3 Year Certificate
☐ 5 Year Certificate

1. **FOR VALUE RECEIVED, CRYSTAL VALLEY COOPERATIVE (“CV”)**, a farmer-owned cooperative organized under Minnesota Statutes Chapter 308B, with its general office located in 1911 Excel Dr, Mankato MN 56001, hereby promises to pay to ,

_____,
(First Name, Middle Initial, Last Name or Business Name)

_____ or _____,
(Social Security No.) (Taxpayer ID No.)

_____.
(Address) (City) (State) (Zip)

, an individual resident of or business organized in the State of Minnesota and patron-member of CV (“**Holder**”), at the Amount above, together with all accrued interest thereon, as provided in this Note.

2. **Interest.** The outstanding principal balance of this Certificate shall bear interest at a the rate set forth below:

Type of Certificate	Minimum Amount	Current Rate	Cost of Early Demand
Demand Standard Less than \$5,000	None Initial Deposit	_____% Variable	None
Demand \$5K Greater than \$5000	\$5,000.00 Initial Deposit & Maintain	_____% Variable	None
3-Year	\$5,000.00 Initial Deposit & Maintain	_____% Fixed	6 Months Interest
5-Year	\$10,000.00 Initial Deposit & Maintain	_____% Fixed	6 Months Interest

Interest on the 3-Year and 5-Year Certificates shall be paid in accordance with this paragraph at the respective rate set forth above. The variable interest rates paid on the Standard Demand and Demand \$5K Certificates stated above are the rates in effect as of the issuance of the Certificate but such rates are variable and likely to change while the Certificate is outstanding. The variable interest rates are reviewed in tandem with movements in the of the Seasonal Interest Rate charged by CV's primary lender, CoBank, on the first day of each month or the nearest business day thereto, and CV reserves the right to change the interest rate paid on variable rate certificates on a monthly basis, without prior notice to the Holder. Interest shall accrue daily on the outstanding principal balance of the Certificate and all computations of interest hereunder shall be made on the basis of a year of 365 days. Accrued and unpaid interest shall be added to the outstanding principal balance bi-annually on each of June 30th and December 31st, and all future accrual of interest shall thereafter be based on the compounded total. Accrued interest may be alternatively be paid to Holder on each anniversary of the Certificate.

3. Maturity, Demand, and Early Demand. CV promises to pay all principal and accrued interest on this Certificate on the Maturity Date in the case of 3-year and 5-year Certificates, and within five days of a demand made in writing in the case of Demand Certificates. In the case of Demand Certificates exceeding \$5,000.00, Holder may demand partial or full payment, and if a demand is made that would reduce the balance owing on the \$5,000 Demand Certificate to less than \$5,000.00, such remaining balance shall automatically be treated under the terms and interest rates applicable to a Standard Demand Certificate. In the case of 3-year and 5-year Certificates, Holder may request full prepayment and CV, in its discretion, may elect to prepay but Holder shall forfeit six months of interest.

4. Payment of Earned Interest. CV reserves the right to pay the interest on the Certificates at any time prior to the time that payment is demanded by the Holder. In the event that CV has not paid the interest due on the Certificate prior to its maturity and is unable to pay the interest earned on the certificate on the date of anniversary, interest will continue to accrue on outstanding and unpaid interest on a non-compounded basis.

5. Payment of Principal. CV reserves the right to prepay (in whole or in part) the Certificate at any time prior to the Holder demanding payment of the Certificate by paying its face amount plus any accrued interest, or, on the other hand, to lower the face amount of the Certificate in proportion to payments of principal made to the Certificate Holder. In the event that CV has not paid the Certificate in whole or in part prior to the Holder making demand for payment at its Maturity and is unable to pay the Certificate in whole upon demand for payment, the face amount of the Certificate less any payments made to the Certificate Holder will be automatically renewed for another year and will continue to be renewed annually until paid in full. CV may use its reserves to pay obligations, including these Certificates. The payment of principal and interest on the Certificate will be paid prior to any patron being paid patronage.

6. **Setoff.** In the event Holder is in default on any separate payment obligation owed to CV, then CV may (without prior notice and when permitted by law) set off funds owed pursuant to this Certificate (regardless of whether a demand is made or the Certificate has reached its Maturity Date) against any due and payable debt owed or guaranteed by Holder to CV now or in the future.

7. **Events of Default.** If any one or more of the following events ("**Events of Default**") shall occur, then, in any such event, Holder may, at Holder's option, declare this Certificate to be immediately due and payable in full, together with all unpaid interest accrued hereon, without further notice or demand:

(a) CV shall fail pay the amount demanded within 5 days in the case of a Demand Certificate.

(b) CV shall fail pay the full amount of principal and accrued interest within 5 days of the maturity date in the case of a 3-Year Certificate or 5-Year Certificate, if Holder has requested that that such Certificate be paid in full and not renewed.

(c) CV shall fail to promptly pay any amount owing to Holder pursuant to the terms of this Certificate at the time such amounts are due.

8. **No Waiver.** No failure or delay on the part of Holder or CV in exercising any power or right under this Certificate shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right.

9. **No Assignment or Transfer.** This Certificate may not be assigned, pledged, or transferred without the prior written consent of CV.

10. **THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPALS THEREOF.**

[Signature page follows]

IN WITNESS WHEREOF, Holder and CV has executed this Certificate effective as of the date of the Certificate written above.

ISSUER:

CRYSTAL VALLEY COOPERATIVE,
a Minnesota Cooperative

By: _____

Its: _____

Acknowledged and accepted by:
HOLDER:

Name: _____