

ROCKINGHAM COOPERATIVE, INC – ADVANCE PAYMENT AGREEMENT

ROCKINGHAM COOPERATIVE IS UNABLE TO OFFER TAX ADVICE. CONSULT WITH YOUR TAX ADVISOR TO DETERMINE QUALIFYING TAX DEDUCTIONS.

Rockingham Cooperative Farm Bureau, Inc., hereinafter called “Cooperative,” and its undersigned Patron, mutually agree and covenant as follows:

- (1) In the event Patron makes advance payments for the purchase of goods and services (some of which goods and services may be more particularly identified on an attached Schedule “A”), the Cooperative agrees to accept such payments for goods and services in advance of purchase and shall give credit for such advance payments to the “Advance Credit Balance.” Advance Credit Balance shall be the difference between all payments made by Patron and all charges made on his account(s). For the purpose of calculating the Advance Credit Balance, all accounts of the Patron shall be consolidated.
- (2) So long as the lowest amount of the Advance Credit Balance for an entire billing period is \$500 or more, the Cooperative shall credit the Advance Credit Balance of the Patron an additional amount equal to 4% of the lowest Advance Credit Balance shown for each full billing period, such additional credit to be calculated so that each monthly billing period is treated as 1/12th of a year. No such additional credit shall be given in the event Advance Credit Balance is less than \$500 at any time during the billing period. The Cooperative reserves the right to increase or decrease the percentage rate used in calculating the additional credits to be given to Advance Credit Balance, such changes in the rate to be effective upon the mailing of written notice to the Patron.
The credit given by the Cooperative shall be added to the Patron’s account the month succeeding the month used for calculating the “lowest credit balance” and shall be reflected in the current month’s billing statement. Such credit may be used for the purchase of goods and services at any time after the credit has been calculated by the Cooperative and the Patron notified. For example, the additional credit received by the Patron for the lowest January Advance Credit Balance (\$1,000 in this example) would be $\$1,000 \times 4\% = \40 divided by 12 = \$3.33, the amount which would be added making a new total of \$1,003.33. As required by the IRS, a 1099 INT form will be issued yearly.
- (3) All funds received by the Cooperative as advance payments, as well as all credits earned under this plan, may be used for the purchase of goods and services from the Cooperative and shall not be refunded to Patron except in instances of bona fide emergencies and extreme hardship, as determined by the Manager of the Cooperative or upon the death of the Patron.
- (4) The 1% Early Pay Discount Program applies to eligible goods and services purchased.
- (5) All other programs, such as the Agronomy Prepaid Contract, do NOT qualify.
- (6) This program is subject to cancellation without notice.

Date: _____ Customer Name (Please Print): _____ Cust. # _____

Customer Signature: _____

Co-op Rep. (Please Print): _____

Cooperative Representative Signature: _____

Revised 10/9/18