

**APPLICATION FOR REGISTRATION OF METHANE OFFSETS
ON THE CHICAGO CLIMATE EXCHANGE and
SALES CONTRACT for EXCHANGE METHANE OFFSETS (XMOs)**

Mail Contract to: Carbon Credit Program Farm Bureau Management Corp 5400 University Ave West Des Moines, IA 50266	If you have questions, Please call: 515-225-5431	Contract Number XMO-_____
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Seller	Date	Contract Facilitator (CF)	CF ID Number
Farm Name	Phone		Phone
Address	E-mail	Address	E-mail
City, State, Zip		City, State, Zip	

I, _____, hereby apply for registry of Exchange Methane Offsets (XMOs) with the Chicago Climate Exchange (CCX) for the years 2006 from a project on property that I own or control. The project is commonly referred to as _____ located in _____, in the State _____.

Project Description: Carbon and nutrient management, methane collection, and/or renewable energy generation at a farm through application of anaerobic manure digestion and methane collection, electrical power generation from biogas.

I hereby attest that _____ (the "Company") does hold full legal title to the Greenhouse Gas mitigation rights registered as CCX Offsets that are associated with the facilities and sites included in the registered project. I hereby agree: that the Company intends to destroy through capture and combustion _____ metric tons of methane, net of CO₂ released upon combustion, during the years _____. The net rate of CO₂ for each metric ton of methane combusted will be calculated in accordance with rules as specified by the Chicago Climate Exchange.. I further agree that the Company will abide by the rules of the CCX as they pertain to XMOs and to the conditions for Pool participation as set forth in this Agreement.

Purchaser agrees to buy and seller agrees to sell and deliver to purchaser free from liens and encumbrances at 5400 University Ave, West Des Moines, Iowa, the rights to the Exchange Methane Offsets (XMOs) created during the years _____ through _____ as determined through verification of the project by a CCX-approved verifier. Seller warrants that the XMOs covered by this contract comply with all rules of the Chicago Climate Exchange.

***The transfer price of the XMOs covered by this contract shall be the sales price as determined by sale through the Chicago Climate Exchange less a 10% service fee.**

Sale of XMOs covered by this contract shall be at the sole discretion of the Purchaser, however all XMOs shall be priced no later than June 30, 2010. Payment for XMOs covered by this contract shall occur no later than 180 days after pricing of the XMOs through the Chicago Climate Exchange. The parties to this contract hereby agree that the title to the XMOs shall be automatically delivered to the Purchaser on the dates listed in the delivery schedule of this Agreement. By signature hereto, Seller irrevocably conveys title to the XMOs stated above as of the date listed on the Delivery Schedule. Seller further warrants compliance with the terms and conditions contained in the Agreement for the period from February through December 2010.

Additional documents to be submitted with the XMO application:
 Exchange Methane Offset Project Description Worksheet
 Project Eligibility Statement (prepared by a CCX-approved Verifier)

 Seller's Signature

 Purchaser's Signature
 Farm Bureau Management Corp

 Seller's Printed Name

 Purchaser's Printed Name

Terms and Conditions

CCX Offset Project Terms and Conditions: By registering a project with CCX, each project owner agrees to and acknowledges the following Terms and Conditions in relation to the project and the Exchange Offsets issued by CCX:

1. The enrolled project meets all applicable eligibility rules of the Chicago Climate Exchange.
2. CCX will issue to the CCX Registry account of the project owner or its designated aggregator a quantity of Exchange Offsets that conforms to the applicable CCX Rules.
3. Each sale of Exchange Offsets executed through the Chicago Climate Exchange shall represent a complete transfer of all legal rights associated with the mitigation of greenhouse gases that relate to the quantity and time periods associated with the Exchange Offsets that are established through fulfillment of the Terms of this contract.
4. The project owner or its CCX-registered aggregator may sell or retain the Exchange Offsets earned under the provisions of this agreement.
5. The project owner shall retain full legal ownership of all greenhouse gas mitigation rights that may accrue: (a) on lands or via activities not included in the CCX-registered project; (b) in excess of the quantity of Exchange Offsets issued by CCX to CCX-registered projects; (c) before or after the years 2006 through 2006 for the CCX-registered project.
6. CCX makes no warranty as to the marketability or market value of CCX Exchange Offsets.
7. Each project owner, and, when applicable, its aggregator, is required to periodically submit a signed project report that confirms conformance with the terms herein. Representatives of CCX may conduct on-site inspection of registered projects and related documents. Each project owner agrees to provide access in such cases in a prompt and cooperative manner. All CCX offsets projects and project reports and verification reports are subject to inspection and audit by the provider of regulatory services designated by CCX and by other independent experts as may be engaged by CCX.
8. CCX may request additional information and/or access to registered projects for the purpose of advancing understanding of greenhouse gas mitigation projects. Project owners may decline such access without penalty. In no cases shall research findings cause a reduction in the quantity of Exchange Offsets to be issued to a registered project.
9. Failure to conform to the rules provided herein may result in termination of enrollment in CCX and prohibition from all further participation in CCX.

CCX Eligibility Requirements: All CCX-eligible methane offset projects that produce less than 10,000 metric tons CO₂ equivalent of Exchange Offsets per year must be registered through a CCX-registered aggregator. Projects that are represented in CCX by an Aggregator are referred to as "pooled projects". The "pool" refers to the multiple projects represented by the Aggregator. Each aggregator is assigned a CCX registry account which will hold all offsets issued to projects it represents. Aggregators shall also be Authorized Traders in the CCX Trading Platform for such offsets. Aggregators shall be responsible for receiving from individual projects the CCX-required project reports, and for submitting to CCX summary reports of projects they represent. The terms of the business and legal relationships between aggregators and project owners are left to the discretion of those parties.

Verifier: Is a technically expert entity that is approved by CCX to conduct verification of CCX Exchange Offset projects. CCX Methane Pool participants agree that a CCX-approved verifier may have access to the land and facilities covered by this contract and to conduct activities to verify CCX Exchange Offsets.

Offset Issuance: CCX-eligible greenhouse gas mitigation projects can be recorded in the CCX Registry and will be issued Exchange Offsets on the basis of mitigation tonnage realized during the years 2003, 2004, 2005 and 2006. All offset project mitigation effectiveness will be quantified on the basis of metric tons of CO₂ equivalence. Each Exchange Offset will represent one hundred metric ton of carbon dioxide (CO₂) and will be identified by annual vintage.

Vintage: The vintage of an instrument is defined as the first year the designated instrument may be used for compliance with the CCX emission reduction schedule, or, as applicable, the CCX electricity purchase reduction schedule.

Trading Authority: Farm Bureau Management Corp. shall have sole authority to access the CCX Trading Platform and Registry account(s) holding the offsets issued to projects it represents and to execute sales on the CCX electronic trading platform on behalf of project owners and distribute sales proceeds to project owners in accordance with the terms stated in this contract.

Eligible projects and XMO issuance rates: Exchange Methane Offsets will be issued to owners of Greenhouse Gas emission reductions achieved by landfill and agricultural methane collection and combustion systems placed into operation in the U.S., Canada, Mexico or Brazil on or after January 1, 1999. (Agricultural methane collection systems include covered anaerobic digesters, complete-mix and plug-flow digesters.) Landfill methane collection and combustion systems in the U.S. may be registered with the CCX and may earn XMOs only for mitigation occurring during time periods for which the landfill was not required to collect and combust methane in accordance with U.S. regulations requiring such actions under the New Source Performance Standards. XMOs will be issued on the basis of metric tons of methane destroyed; net of CO₂ released upon combustion, during the years 2003 through 2006, at a net rate of 18.25 metric tons of CO₂ for each metric ton of methane combusted.

Non-compliance: In the case of noncompliance with the Terms and Conditions contained in this CCX Exchange Methane Offsets contract the owner of the noncompliant project shall return a quantity of CCX Exchange Offsets and/or Exchange Allowances that is equal to the total quantity of XMOs that are found to be in non-compliance, or present payment in an amount equal to the cost of acquiring such replacement offsets or allowance. The owner shall also pay to the aggregator, a penalty equal to twenty percent (20%) of the value of all offsets or allowances covered under this Agreement, as well as interest accruing on said amounts from the date of noncompliance, as well as all costs incurred by aggregator in enforcing this provision, inclusive of reasonable attorney fees. The owner of the noncompliant project shall be prohibited from further participation in CCX.

XMO Project Registration, Verification and Project Reports: Registration of each CCX XMO project must be accompanied by a project eligibility statement prepared by a CCX-approved verification entity. CCX XMO Project Registration forms will be provided by the Exchange. XMO project reports must be submitted to CCX (or to an aggregator) using forms provided by CCX on a schedule to be prescribed by CCX. Such reports must contain an attestation by a CCX-approved verification entity as to the quantity of mitigation effectiveness and offset issuance that is prepared in conformance with the rules governing the CCX and with the verification protocols prescribed by the Exchange.

Exchange Methane Offset Project Description Worksheet

Project Title:	
Project Purpose:	(Example) Carbon and nutrient management, methane collection, and renewable energy generation at a dairy farm. Electrical generation sales to _____
Project Category:	Exchange Methane Offsets (XMO) from methane collection and destruction at a livestock operation
Proposed Registration Body:	Chicago Climate Exchange
Project Size:	Estimated _____ metric tons CO ₂ annually. (_____ head capacity)
Project Start Date:	
Project Duration:	
Project Participants:	
Geographical Location:	
Technologies & Practices:	(Example) Modified plug flow anaerobic digester for manure digestion and methane collection, electrical power generation from biogas.
Ownership Agreements:	Clear title to credits transferred by signed contract to Iowa Farm Bureau
Project Contact:	Dave Miller Research & Commodity Services Director Iowa Farm Bureau 5400 University Avenue West Des Moines, IA 50266 515-225-5430