

Key Cooperative is a leader in Condominium Grain Storage. Since our first project in 2000, over 2,500,000 million bushels of new Member owned grain storage has been built in five projects.

In the latest condo project, we introduced a guaranteed buyback program and reduced out charge tariff. The Key Cooperative Condominium Grain Storage Program has truly been a winner for its owners.

2017 could be another year of intense pressure on both commercial storage and on-farm capacity. The Key Cooperative Board of Directors has authorized a sixth condo storage project to help address these anticipated needs.

Included in this brochure is a Term Sheet outlining the formation of Key GS6 2017 LLC and the terms of an Operating Agreement.

## What are the benefits of Condo storage?

Condominium Storage provides members with a powerful set of storage advantages including: guaranteed, low cost storage space; elimination of grain storage quality risk; access to all marketing contract alternatives; multiple location delivery; tax benefits; and high value retention on re-sale.

As an investor in the LLC, you may deliver your storage bushels to any Key Cooperative grain location.

**To purchase condo or for questions, contact a member of our grain team:**

Greg Artz - Field Marketing Specialist  
515-215-0062

Rick Weigel- Field Marketing Specialist  
641-990-7816

Jason Dubberke - Grain Market  
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2017 Grain Storage

Key GS6 2017 LLC,  
Condominium Storage



[www.keycoop.com](http://www.keycoop.com)

# Condominium Grain Storage Summary



## 2017 Grain Condominium Storage:

Organization structure: LLC.  
Organization name: Key GS6 2017 LLC.  
Owner eligibility: Must be a Class A stockholder member of Key Cooperative and resident of Iowa.

## Delivery, Merchandising and Storage Terms:

Delivery points: All Key Cooperative grain locations.  
Guaranteed Storage: Availability of condominium storage is guaranteed to the owner.  
Time limit on storage: Unlimited.  
Fill and empty limits: None. Units may be filled and emptied an unlimited number of times annually with no additional charge.  
Grain Pricing: Per Key Cooperative delivery location.  
Marketing alternatives: All marketing contract alternatives available.  
In / Out Tariff: The unit owner may load out grain from the receiving location for shipment to an alternative market for a nominal out charge.  
Corn: \$.00 In / \$.12 Out. Soybeans \$.00 In / \$.12 Out.

Open Storage Roll: Open stored grain may be rolled to condo at time of condo purchase.  
Quality discounts: Per Key Cooperative policies at time of delivery. Grain must meet minimum merchantable standards at time of delivery.  
Storage / PLC fees: None.  
Annual service charge: 5.60 cents per bushel of space in 2016. Reset annually for actual Property Tax, Insurance, Utilities and administration expenses.

## Project Specifications:

Project Site: Sully, IA  
Bushels available: 400,000 bushels  
Unit size: 5,000 bushels.  
Initial Investment: \$1.75 per bushel or \$8,750.00 per unit for subscription through September 15, 2017 with \$750.00 down and a balance of \$8,000.00 due September 15, 2017. Charges will be the actual cost for site preparation, foundation, bin and bin erection, and aeration system. Key Cooperative is responsible for electrical, elevation and conveyance.  
Purchase financing: Financing available from Key Cooperative for two or three years. 100% financing with NO down payment.  
Conditions: Storage rights begin on September 15, 2017 and end when the bin is determined to be structurally unsound. Storage may not be used for grain under warehouse receipt on September 15, 2017, however, you may put open grain into condo anytime once it's paid for. Grain may be transferred to regular warehouse receipt storage to Key GS6 2017 storage between January 15 and September 15 of each year. Transfers must be in minimum of 1,000 bushel increments.

## Resale of Units and Tax Considerations:

Resale: Units may be resold at any time to any eligible Key Cooperative member.  
Guaranteed Buyback: Key Cooperative guarantees to purchase shares from owners not sooner than 36 months from original purchase according to a pre-established schedule.  
Tax benefit: Tax benefit (depreciation) to owner.  
Tax basis reset: Tax basis reset for future owners at the transfer purchase price.