

**PRIVATE TRANSFER REQUEST  
HIGHWATER ETHANOL, LLC**

MEMBERSHIP UNITS INFORMATION		
Membership Unit Certificate Number:	Number of Membership Units to be Transferred (Membership Units can only be transferred in whole Units):	Number of Membership Units to be Retained by Transferor (if any):
Original Date(s) of the Unit Certificate(s) Affected:		
TRANSFEROR INFORMATION		
Name(s)	SS# or Tax I.D. #(s) ____ - ____ - ____ ____ - ____ - ____	Telephone Numbers Home: Work: Cell: Fax:
Street or P.O. Box	City, State and ZIP Code	
TRANSFeree INFORMATION		
Name(s)	SS# or Tax I.D. #(s) ____ - ____ - ____ ____ - ____ - ____ Form of Ownership (circle one): Individual, JTWRs, LLC, Trust, Corporation or Partnership	Telephone Numbers Home: Work: Cell: Fax:
Street or P.O. Box	City, State and ZIP Code	
Alternate Address (for receipt of copy of member report)	City, State and ZIP Code	
TYPE OF PRIVATE TRANSFER		
<p>I (we) request that the Board of Governors of Highwater Ethanol, LLC ("Highwater") approve the following type of transfer (<b>check one</b>):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Involuntary transfer to an administrator or trustee by operation of law (death of a joint tenant, intestacy, divorce, bankruptcy, conservatorship).</li> <li><input type="checkbox"/> Transfer by gift</li> <li><input type="checkbox"/> Lifetime transfer to a trust <ul style="list-style-type: none"> <li><input type="checkbox"/> For the benefit of the spouse or descendant(s) of a Member of Highwater Ethanol, LLC. Indicate Relationship _____</li> <li><input type="checkbox"/> For the benefit of others _____</li> </ul> </li> <li><input type="checkbox"/> Transfer at death, including transfers from an estate or testamentary trust</li> <li><input type="checkbox"/> Transfer to another Member or to an Affiliate or Related Party of another member (as those terms are defined in the Member Control Agreement of Highwater Ethanol, LLC)</li> <li><input type="checkbox"/> A transfer to an Affiliate or Related Party of the Transferor. Indicate Relationship _____</li> <li><input type="checkbox"/> A transfer involving distributions from a retirement plan qualified under Section 401(a) of the Internal Revenue Code or an individual retirement account.</li> </ul>		

- Block transfer of Membership Units representing in the aggregate more than 2% of the total issued and outstanding Membership Units in one or more transactions during any 30 day period by a person and any related person. (“Related persons” generally include members of a family, an individual and an entity majority owned by such individual, 2 entities that are majority owned by the same persons, the grant and fiduciary of a trust, the fiduciary and beneficiary of a trust, and the executor and beneficiary of an estate.)
- A Transfer or series of related Transfers by one or more Members (acting together) which involves the Transfer of fifty percent (50%) or more of the outstanding Units.
- None of the Above Apply

#### SECURITY INTERESTS

Transferor certifies that (choose one):

- Transferor has not granted to a lender a security interest in the Membership Units.
- Transferor has granted to a lender a security interest in the Membership Units and the lender’s consent and transfer instructions accompany any delivery of this form.

Transferee certifies that (choose one):

- Transferee has not granted to a lender a security interest in the Membership Units.
- Transferee has granted to a lender a security interest in the Membership Units.

#### DOCUMENTS

Transferor and Transferee must enclose with this Private Transfer Request: (1) the Membership Units certificate referenced above or an affidavit declaring that Transferor has lost or misplaced such Membership Units certificate (Note: Transferor must sign the reverse side of the Membership Unit certificate), (2) the lender’s consent and transfer instructions, if the Transferor has granted to a lender a security interest in the Membership Units, (3) an executed counterpart signature page to Highwater Ethanol’s Member Control Agreement for each transferee that is not already a member, and (4) copies of all relevant documents that will assist the Board of Governors in determining if the transaction qualifies as a private transfer.

If the transfer is requested due to a member’s death a certified copy of a death certificate, letters of appointment, or designation of attorney form is required.

If the transfer is to a trust copies of the following pages in the trust investment must be included: the title page, signature page and page indemnifying the trustee.

If the transfer is to a corporation, partnership or limited liability company, a corporate resolution and the bylaws, operating agreement or partnership agreement must be provided.

#### WARRANTIES AND REPRESENTATIONS

**Transferee's Representations and Warranties.** You must read and certify your representations and warranties and sign and date this Unit Transfer Application. By signing below, Transferee represents and warrants to Highwater that he, she or it:

1. acknowledges that this transfer is incomplete and invalid until the Board of Governors approves this Private Transfer Request;
2. as a member of Highwater Ethanol, agrees to be bound and governed by each and all provisions, rules and regulations of the Articles of Organization and Member Control Agreement and, if applicable, policies of Highwater Ethanol, as amended from time to time;
3. intends to acquire the Units for his/her/its own account without a view to public distribution or resale and that he/she/it has no contract, undertaking, agreement or arrangement to sell or otherwise transfer or dispose of any Units or any portion thereof to any other person;

4. understands that there is no public market for Highwater's membership units, that the membership units do not trade on a national exchange or automatic quotation system, that no such market is expected to develop in the future and that there are significant restrictions on the transferability of the membership units;
5. has received a copy of the Highwater Member Control Agreement, and understands that the Transferee and the membership units will be bound by the provisions of the Member Control Agreement which contains, among other things, provisions that restrict the transfer of membership units;
6. understands that the Units are subject to substantial restrictions on transfer under applicable tax and securities laws along with restrictions in the Highwater Member Control Agreement and agrees that if the membership units or any part thereof are sold or distributed in the future, the Transferee shall sell or distribute them pursuant to the terms of the Member Control Agreement, and the requirements of the Securities Act of 1933, as amended, and applicable tax and securities laws;
7. agrees to indemnify and hold Highwater harmless for any damage, loss, cost, or liability (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from the improper transfer of units from the Transferor to the Transferee;
8. understands that Highwater will place a restrictive legend on any certificate representing any unit containing substantially the following language as the same may be amended by the Governors of Highwater in their sole discretion:

THE TRANSFERABILITY OF THE UNITS REPRESENTED BY THIS CERTIFICATE IS RESTRICTED. SUCH UNITS MAY NOT BE SOLD, ASSIGNED, OR TRANSFERRED, NOR WILL ANY ASSIGNEE, VENDEE, TRANSFEE, OR ENDORSEE THEREOF BE RECOGNIZED AS HAVING ACQUIRED ANY SUCH UNITS FOR ANY PURPOSES, UNLESS AND TO THE EXTENT SUCH SALE, TRANSFER, HYPOTHECATION, OR ASSIGNMENT IS PERMITTED BY, AND IS COMPLETED IN STRICT ACCORDANCE WITH, APPLICABLE STATE AND FEDERAL LAW AND THE TERMS AND CONDITIONS SET FORTH IN THE OPERATING AGREEMENT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, OR TRANSFERRED IN THE ABSENCE OF EITHER AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND UNDER APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND UNDER APPLICABLE STATE SECURITIES LAWS.

9. understands that, to enforce the above legend, Highwater may place a stop transfer order with its registrar and stock transfer agent (if any) covering all certificates representing any of the membership units; and
10. certifies under penalties of perjury that: (1) the number shown on this form is the correct taxpayer identification number for Transferee (or the Transferee is waiting for a number to be issued), and (2) the Transferee is not subject to backup withholding because: (he/she/it is exempt from backup withholding, or (b) he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the Internal Revenue Service has notified him/her/it is no longer subject to backup withholding.

**SIGNATURES**

Signature of Transferor/ Joint Transferor:

The undersigned Transferor(s) hereby certifies (certify) that the representations and warranties in this Unit Transfer Application are true and correct. The undersigned Transferor(s) does (do) hereby irrevocably constitute and appoint the officers of Highwater Ethanol, LLC as attorney-in-fact to transfer the said units as the case may be on the books of said company, with full power of substitution in the premises.

**Date:** \_\_\_\_\_

**Individuals:**

**Entities:**

\_\_\_\_\_  
Name of Individual Transferor (Please Print)

\_\_\_\_\_  
Name of Entity (Please Print)

\_\_\_\_\_  
Signature of Individual

\_\_\_\_\_  
Print Name and Title of Officer

\_\_\_\_\_  
Name of Joint Individual Transferor (Please Print)

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Signature of Joint Individual Transferor

**Signature of Transferee/ Joint Transferee:**

The undersigned Transferee(s) hereby certifies (certify) that the representations and warranties in this Unit Transfer Application are true and correct.

**Date:** \_\_\_\_\_

**Individuals:**

**Entities:**

\_\_\_\_\_  
Name of Individual Transferee (Please Print)

\_\_\_\_\_  
Name of Entity (Please Print)

\_\_\_\_\_  
Signature of Individual

\_\_\_\_\_  
Print Name and Title of Officer

\_\_\_\_\_  
Name of Joint Individual Transferee (Please Print)

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Signature of Joint Individual Transferee

***APPROVAL OR DISAPPROVAL OF TRANSFER BY  
HIGHWATER ETHANOL, LLC***

Pursuant to Section 9.1 of the Member Control Agreement of Highwater Ethanol, LLC, the transfer to Transferee is:  approved  disapproved by the Governors by an action taken on \_\_\_\_\_, 200\_\_\_\_.

**HIGHWATER ETHANOL, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_