

DESCRIPTION OF AUDIT, COMPLIANCE PROGRAM, AND APPLICATIONS

This application is one of several post-transaction transfer of control and assignment applications to be filed by Agrium Inc. (“Agrium”), a Canadian corporation, and its subsidiaries as a result of an internal audit.

The Audit

When it became aware of potential FCC wireless license registration and transfer/assignment issues, the Risk Management Department for the U.S. retail operations of Agrium notified Mr. Richard Gearhead, CEO and Director of Crop Production Services, Inc., the U.S. retail subsidiary of Agrium, and Ms. Kathryn Heath, Assistant General Counsel for Agrium’s retail operations. The Risk Management Department was directed to investigate and correct as promptly as possible any compliance issues.

The Risk Management Group utilized several procedures to identify and review all of the FCC wireless licenses under Agrium’s control. The Risk Management Group conducted an audit of its approximately 500 retail and wholesale outlets. As part of this audit, each outlet was asked to respond to a questionnaire regarding the status of the facilities associated with the license and the facilities’ registration in ULS. The Risk Management Group also reviewed ULS and gathered additional information as part of an audit of the past five years to determine whether Agrium’s acquisitions and divestiture since January 1, 2003 were executed with required Commission pre-approval.

Agrium acquired UAP Holding Corp. and its subsidiaries on May 3, 2008;¹ the Risk Management Group also reviewed the wireless licenses held by these companies.

The foregoing measures have provided Agrium with the information necessary to bring or keep Agrium’s wireless licenses in compliance.

Compliance Program

- Database. The Risk Management Group has established a database of all of Agrium’s subsidiaries and the licenses associated with each. One of the Risk Management Group’s tasks is to ensure that the licenses are associated with accurate licensee names and that all the licenses associated with a particular entity are associated with the same FRN. The Risk Management Group will also ensure that other data on the licenses is kept accurate.
- Centralized Oversight. The Risk Management Group has been assigned the responsibility of monitoring the FCC licenses and related facilities of Agrium and its subsidiaries.

¹ The parties filed timely applications relating to this acquisition. See ULS File Nos. 0003407424, 0003407450, 0003408883, and 0003408943.

- Staff Education; Deal Checklists. Agrium Retail has educated its in-house lawyers and other relevant staff explaining the FCC licensing process and the FCC requirements regarding the transfer of control and assignment of licenses. FCC license compliance has also been added to transaction checklists.
- Incorporation of FCC Licensing Audit into Agrium’s Ongoing Audit Process. Procedures have been implemented such that two types of auditors will regularly inquire about FCC licenses to ensure that FCC licenses are properly registered and up-to-date. These auditors include both risk auditors from the Risk Management Group, and general internal auditors.

The Applications

As a result of its audit, and pursuant to subsequent discussions with FCC Staff, Agrium has determined that several applications are required to address transactions that occurred within the audit period.

Specifically, Agrium has previously filed three applications² to address the acquisition of Royster-Clark Ltd. (“RCL”) by Agrium and previous transactions by RCL and its predecessors-in-interest.

The instant application is one of ten applications³ being filed to address transactions engaged in by UAP Distribution, Inc. (“UAP Distribution”), a subsidiary of UAP Holding Corp., within the audit period. Of the ten, seven are related to *pro forma* transactions in which other subsidiaries of UAP Holding Corp. were merged into UAP Distribution. The remaining three applications address acquisitions of outside companies by UAP Holding Corp., which were also merged into UAP Distribution. In addition, Agrium seeks approval for any previous transactions relating to licenses held by Agrium or its subsidiaries for which Commission approval has not been obtained. Agrium believes that the audit and remedial filing process will be complete after these applications are approved. A summary of the applications filed appears on page 3, *infra*.

² See ULS Files Nos. 0003471511, 0003515618, 0003515645.

³ See ULS Files Nos. 0003592090, 0003592108, 0003592118, 0003592538, 0003592545, 0003592719, 0003592725, 0003592731, 0003592742, 0003592792.

Summary of Applications

| File No. | Licensee | AA/TC | Pro Forma? | Assignor/Transferor | Assignee Transferee | Date of Transaction | No. of Licenses | No. of Waiver Requests ¹ |
|------------|-----------------------------------|----------|------------|-----------------------------------|------------------------------|---------------------|-----------------|-------------------------------------|
| 0003471511 | Royster-Clark Agribusiness Inc | TC | N | Royster-Clark Group Inc | Royster-Clark Ltd | 7/22/2005 | 84 | 3 |
| 0003515618 | Royster-Clark Agribusiness Inc | Multiple | Both | Royster-Clark Agribusiness Inc | Crop Production Services Inc | 7/1/2007 | 76 | 2 |
| 0003515645 | Royster-Clark Agribusiness Inc | Multiple | Both | Royster-Clark Agribusiness Inc | Agrium U.S. Inc. | 7/1/2007 | 8 | 2 |
| 0003592090 | Terral Agriservice Inc. | AA | N | Terral Agriservice Inc. | UAP Distribution Inc | 9/1/2006 | 2 | 2 |
| 0003592108 | Sunflower Chemical Inc | AA | N | Sunflower Chemical Inc | UAP Distribution Inc | 2/7/2006 | 1 | 2 |
| 0003592118 | Big Creek Fertilizer Inc | AA | N | Big Creek Fertilizer Inc | UAP Distribution Inc | 2/17/2007 | 1 | 2 |
| 0003592538 | Ag Chem Inc | AA | Y | Ag Chem Inc | UAP Distribution Inc | 2/27/2005 | 1 | 2 |
| 0003592545 | Cropmate Company | AA | Y | Cropmate Company | UAP Distribution Inc | 2/27/2005 | 12 | 2 |
| 0003592719 | Grower Service Corporation | AA | Y | Grower Service Corporation | UAP Distribution Inc | 2/27/2005 | 2 | 2 |
| 0003592725 | Midwest Agricultural Warehouse Co | AA | Y | Midwest Agricultural Warehouse Co | UAP Distribution Inc | 2/27/2005 | 8 | 2 |
| 0003592731 | Ostlund Chemical Co | AA | Y | Ostlund Chemical Co | UAP Distribution Inc | 2/27/2005 | 3 | 2 |
| 0003592742 | Pueblo Chemical & Supply Co | AA | Y | Pueblo Chemical & Supply Co | UAP Distribution Inc | 2/27/2005 | 1 | 2 |
| 0003592792 | Tri-State Delta Chemicals Inc | AA | Y | Tri-State Delta Chemicals Inc | UAP Distribution Inc | 2/27/2005 | 3 | 2 |

¹Includes signature waiver requests and post-transaction waiver requests in the application and the notice of consummation, respectively.