

AGREEMENT

This is an Agreement between Ridgefield Farm, LLC (RFLLC) and _____ (Bull Buyer) effective this ____ day of _____, 2011.

WHEREAS:

- (1) Bull Buyer wishes to buy one or more bulls from RFLLC and
- (2) RFLLC is willing to purchase the progeny of said bull(s), from the original purchaser for two consecutive calf crops, requiring a minimum number of 15 calves and accepting a maximum of 35 calves per bull per year.
- (3) RFLLC is willing, under certain terms and conditions, to pay Bull Buyer a premium over the "local market rate" for progeny born of predominantly Angus or Red Angus cows; and

THEREFORE, in consideration of the payments and promises provided for in this Agreement, the parties agree as follows:

(A) **Purchase of Bull(s).** Bull Buyer has purchased __ bull(s) as follows:

<u>TATTOO</u>	<u>TATTOO</u>	<u>TATTOO</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(B) **Purchase of Calves.** Provided that certain conditions are met, as detailed below, RFLLC agrees for two consecutive calf crops, to purchase progeny (both sexes) of the above-listed bulls from Bull Buyer. RFLLC's obligation to purchase the progeny is subject to the following:

- (i) The RFLLC purchase obligation expires after 2 consecutive calf crops and in any event no later than the end of the third full calendar year after the purchase of the bull, unless mutually extended by both parties.
- (ii) RFLLC's obligation to purchase is subject to a minimum of 15 and a maximum of 35 calves per bull, per year;
- (iii) All calves must be ear tagged, and the birthdate of the first calf born in each calving season must be recorded in order to provide age and source verification and tracking;

- (iv) All calves must be raised without any antibiotic treatments or feed additives and without added hormones. Seller will be required to sign an affidavit attesting to the calves having been raised “all natural”.
- (iv) Bull Buyer acknowledges that RFLLC may, at its option, perform DNA testing on any or all progeny to verify paternity. Should RFLLC find that any calf was not sired by one of the bulls listed above, RFLLC shall have no further obligation to purchase any calves from Bull Buyer;
- (v) Calves to be purchased must be in obviously good health. Poor doers will not be accepted under this agreement. Health and poor doer status may either be determined at time of loading or upon arrival at the destination. Any dispute under this subsection shall be settled by a state board approved veterinarian. The veterinarian’s fee will be split equally between RFLLC and Buyer; In addition, a purchased lot of calves, in the aggregate, from any given producer which have a weight per day of age (WDA) of less than 2.0 may not be accepted.
- (vi) Calves with Longhorn or Brahma influence(Beefmaster, Brangus, Braford, Simbra, Santa Gertrudis, etc.) are excluded from this purchase agreement.
- (vii) All male calves must be castrated by knife at least four weeks prior to RFLLC taking possession, or if banded, scrotal sacks must have fallen off prior to pickup. Ten cents per pound will be deducted from purchase price for calves not castrated or banded such as to meet the above requirements; and/or if more than 5% of said calves are not castrated, RFLLC may refuse non-castrated calves, unless they can be certified by the owner as being open. Adequate proof is providing results of palpation or a negative blood pregnancy test with individual animal numbers listed as to the test results.
- (iv) Calves weighing less than 500 pounds and calves weighing over 900 pounds will not be accepted.

(C). Animal Health Requirements and Weaning Requirements

Bull Buyer(Calf Seller) must certify that all calves have been vaccinated with a modified live four or eight way; broad spectrum vaccine, including at a minimum, IBR, BVD, PI3, BRSV and a 7 way Clostridial(Black leg). The seller must provide written proof of vaccination, including serial numbers or lot numbers of the vaccine boxes in order to verify that appropriate vaccines were used as well as to provide proof that said vaccine was properly stored and administered. Since the buyer has received favorable pricing from Pfizer Animal Health to use their products; the buyer can supply the appropriate vaccines, subtracting the vaccine cost from what is paid for the calves. Vaccinations are most effective if given a month prior to weaning, with a booster administered at weaning.

- (i) The calves must be weaned a minimum of thirty days, preferably 45 days prior to delivery.
- (ii) If a mortality rate (>2%) is experienced in the feedyard of purchased calves; and/or autopsied calves confirm a diagnosis of a specific pathogen(s) which would normally have been prevented through a recommended vaccination program; or, a morbidity rate in excess of 20% occurs, then, RFLLC may require whole herd testing for said pathogen(s) and/or certification by a state board approved veterinarian that said herd does not contain persistently infected cattle, as well as certification by said veterinarian that the herd as well as calves are being appropriately managed with vaccinations being stored and administered according to the label instructions of the respective pharmaceutical company whose vaccine is being administered. If these requirements are not met, RFLLC shall have no further obligation to purchase any progeny;

(D) Price of Calves

The price offered is based upon a two week average of the published USDA Market Report for the State in which the calf owner lives. Premiums offered under the Ridgefield Farm, LLC Progeny Purchase Plan range from \$4/cwt to \$6/cwt for calves, depending upon their condition, plus additional premiums based upon a “Progeny Profitability Index” (PPI) for each bull sold; as well as other criteria, as detailed below.

- (i) Bulls for which Progeny Profitability Premiums (PPI) will be paid have “dollar signs (\$)” next to their lot number indicating the premium that will be paid for their progeny. One \$ means that a one dollar per cwt premium will be paid, \$\$ means that a two dollar per cwt will be paid and \$\$\$ means that a three dollar per cwt premium will be paid. In order to earn these premiums, the calf seller must be able to sire identify and provide date of birth of all calves.
- (ii) Pay weights will be established through a mutually agreed upon set of certified scales with a 2% pencil shrink applied. For cattle delivered to RFLLC by Bull Buyer, or to a centralized loadout facility, at Bull Buyer’s cost, so that a complete 50,000 pound trailer load can be assembled, no pencil shrink will apply.
- (iii) For purposes of calculating price per pound and respective premiums, average load weights for cattle to be purchased will be derived by dividing the total net weight of the cattle being purchased from Bull Buyer (Calf Seller) by the number of head purchased, with appropriate price differentials paid according to sex.
- (iv) Upon notification by Bull Buyer (Calf Seller) to RFLLC that Bull Buyer (Calf Seller) is ready to sell calves; RFLLC will determine the price to be paid based upon publicly available information provided and published by

the USDA Market News Agency for the state associated with the Bull Buyer's mailing address, averaging the price for the two previous weeks for similar calves according to the USDA definition of frame and flesh. From the date of said price quote, the Bull Buyer (Calf Seller) must accept or decline the offer within 48 hours, and said calves must be available for pick up or delivered to RFLLC within 10 days, unless a different date is mutually agreed to by both parties. If, and only if, RFLLC is unable to schedule a pick up date for said calves within 10 days, Bull Buyer (Calf Seller) has the option of choosing a second time period from which to calculate appropriate pricing. Bull Buyer (Calf Seller) will have the choice between the two different time frames over which average pricing was derived.

- (v) For purposes of price calculation, a minimum of 15 calves of similar weights must have been reported sold in each of the two previous weeks. In instances where an insufficient number of calves have been sold in the two previous weeks to meet this criterion, an increasingly large market area will be included so as to satisfy this requirement, and/or the parties will negotiate a price that is agreeable to both parties regarding pricing. In the event that negotiations are unsuccessful in arriving at a mutually agreed upon price, each party is free from further obligation under this contract.

(E) **Delivery of Calves.**

RFLLC will arrange calf pick up/delivery dates throughout the year. RFLLC and Bull Buyer (Calf Seller) agree to cooperate with respect to shipping coordination such that, where feasible, full 50,000 lb. trailer loads originating from one location convenient to RFLLC can be accomplished. RFLLC will accept mixed sex loading. Weights will be determined at the closest certified scales to pick up point.

- (i) When 50,000 lb. trailer loads can not be accomplished the following terms shall apply: For 15 head to 25 head of calves a charge of \$22/head will apply if the calves are within 150 miles of Brasstown, NC. If the calves are further than 150 miles, an additional fee of \$1.00 per head will be assessed for each additional 50 loaded miles of travel, or increment thereof. For quantities of 26 head to 50 head of calves the price per head will be \$18/head, with an additional fee of \$1.00 per head for each additional 50 loaded miles of travel, or increment thereof.
- (ii) If there is more than a 200 pound difference in the weight of the group of calves; pickup of the lighter or heavier calves may be delayed until such time as a trailer load of calves with a weight difference of less than 200 pounds can be arranged.

(F) **Required Paperwork.**

The seller agrees to sign affidavits that all calves have been appropriately vaccinated as described above, that they raised the calves and did not purchase them, and that they can provide proof of age consistent with the requirements set by the USDA for age and source verified cattle. The seller also must sign an affidavit affirming that no antibiotics or artificial growth promotants have ever been administered to the calves being sold hereunder.

(G) **Data.**

Upon request by owner, RFLLC will provide feedlot and carcass performance data, to the extent available, as to progeny purchased from owner.

Executed by Bull Buyer and RFLLC as of the dates set forth below

Ridgefield Farm, LLC

Name: _____

(print)

Signature: _____

Title: _____

Date: _____

Bull Buyer

Name: _____

(print)

Signature: _____

_____ Date: _____