

## **Roundup Internet Livestock Marketing, Inc Livestock Purchase Agreement**

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This Livestock Purchase Agreement ("Agreement") is between all registered buyers and Roundup Internet Livestock Marketing, Inc (Roundup), as an agent for the seller(s) marketing livestock through Roundup's website at <http://www.roundupcattle.com> (the "Website"). Buyer agrees to the acceptance of this agreement in its entirety with the submission of a signed Buyer Application to Roundup, and agrees to abide by the Livestock Purchase agreement, effective when buyer status is granted by Roundup, for both Internet bidding and phone bidding.

Buyer and Roundup agree as follows:

1. Purchase of Livestock. Buyer will bid to purchase livestock through the Roundup website, subject to the provisions set forth below and Roundup's Standard Terms and Conditions and Limited Warranty (the "Standard Terms"), if any, in effect at the time of purchase. The Standard Terms will be made available to Buyer upon request. Buyer's bid, electronic or verbal, constitutes an irrevocable offer to purchase livestock, and if accepted, cannot be revoked.
2. Buyer's Information. Buyer has provided registration information through the Website to qualify as a buyer of livestock. Buyer represents and warrants that the information provided therein is true and correct and shall promptly inform Roundup of any changes in the information provided. Buyer authorizes Roundup to speak to his/her lending institution to confirm line of credit availability for the purchase of livestock, and will not approve a buyer without lending institution's confirmation of financial liquidity.
3. Limit Position: Buyer agrees that Roundup retains the right to limit each buyer to a maximum number of contracts not to exceed their cattle purchase line of credit availability as indicated by their lending institution.
4. Sale Confirmation. Upon Buyer's purchase of livestock through the Website, Roundup Cattle Co. shall promptly send, via facsimile transmission or other means mutually agreed between Buyer and Roundup, a confirmation of such purchase including the date of purchase, the purchase price per hundred weight and other specifications (the "Sale Confirmation").
5. Payment of Purchase Price.
  1. Upon receipt of a Sale Confirmation, Buyer shall promptly pay to Roundup \$40 per head of cattle

purchased as a partial payment. Buyer shall pay the balance of the Total Dollars to Roundup at the time of delivery (if there are multiple shipments, at the time of each shipment). If Buyer is not present at delivery, payment is to be received by Roundup no later than the first business day following the date of delivery. Buyer agrees to make payment by wire transfer of funds or by overnight delivery of a check.

2. "Total Dollars" means (a) the difference between the Base Price set forth in the Sale Confirmation and the Slide Adjustment (as defined below), (b) multiplied by the Net Sale Weight (gross sale weight at delivery less the pencil shrink set forth on the Sale Confirmation). The Slide Adjustment is \$ \_\_\_\_\_ per CWT times the excess of the average Net Sale Weight over the Base Weight (as set forth in the Sale Confirmation).
  3. In addition to amounts set forth above, Buyer shall pay for all extraordinary health tests or documentation (i.e. for bang, tuberculosis or the like) ("Extraordinary Testing") requested by Buyer prior to delivery.
6. Delivery; Acceptance.
1. Delivery is FOB Buyer's trucks. All losses resulting from non-extraordinary testing or in transit prior to loading shall be the seller's liability, after which liability shall be transferred to Buyer. If Buyer or an agent is present at delivery and the livestock are removed by carrier, such action constitutes irrevocable acceptance of the livestock by Buyer. If Buyer is not present at delivery Buyer shall notify Roundup of any grievance regarding any livestock within twenty-four (24) hours after arrival, and failure to do so shall constitute irrevocable acceptance of the livestock and bind him to pay the contract price for the livestock.
  2. If Roundup reasonably determines that the livestock delivered are not as described in the Sales Confirmation, Roundup shall consult with Buyer as to whether to cancel the purchase or negotiate a settlement. Roundup shall refund the partial payment to Buyer promptly upon receipt from seller, but shall be responsible for no other payment or other damages (direct, indirect, consequential, punitive or otherwise) of Buyer due to the canceled purchase or the failure of seller to deliver the livestock in breach of seller's agreement with Roundup. The foregoing is not intended to limit Buyer's remedies against such seller for such non-delivery.
7. Security Agreement. To secure payment and performance of all of Buyer's current and future obligations to Roundup, Buyer grants to Roundup a security interest in all cattle purchased by Buyer through the Website, and all proceeds and products thereof. A copy of this Agreement may be filed as a financing statement in which case Buyer is the debtor and Roundup is the secured party. Copies and facsimile copies of this Financing Statement may be filed in lieu of the original. Buyer further agrees promptly upon request to sign whatever documents, instruments or agreements Roundup considers necessary to obtain, preserve, perfect, defend and enforce the purchase money security interest, or which is reasonably necessary to comply with any applicable law or regulation. Until collection of good funds in full payment of the Total Dollars, Buyer

agrees to give Roundup full disclosure of the location and condition of the livestock which are from time to time subject to this agreement.

8. Term. The term of this Agreement is perpetual. This Agreement may be terminated at any time upon receipt by one party of written notice of termination from the other; provided that in no event may Buyer terminate this Agreement until all prior commitments and transactions under this Agreement are complete.
  
9. Miscellaneous. The laws of the state of California shall govern the interpretation and enforcement of this Agreement. Any notices provided for herein shall be given in writing and transmitted by telegram, telex, or similar communication or by certified or registered mail addressed to the respective parties at the addresses set forth below. The address of either party may be changed by written notice to the other party. THERE ARE NO WARRANTIES EXPRESS OR IMPLIED BEYOND WHAT IS EXPRESSLY SET FORTH IN THIS CONTRACT AND THE STANDARD TERMS. This Agreement shall be binding upon and inure to benefit the successors and assigns of the parties. This Agreement shall not be assigned without the prior written consent of the other party. No waiver of any provision of this Agreement shall be deemed, or shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. The captions of paragraphs are for the convenience of the parties and shall not affect the meaning or interpretation of this Agreement. This Agreement, together with the Standard Terms, contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes any prior written or oral agreements of the parties. This Agreement may be amended only by a written document signed on behalf of both parties. In the event that any suit or action is instituted to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its attorney fees, including any incurred on appeal.

**ALL REGISTERED BUYERS CONSENT TO THESE TERMS AND CONDITIONS UPON APPROVAL OF THE APPLICANT'S SIGNED BUYER REGISTRATION FORM.**