

BEEFMASTER BREEDERS UNITED VOLUNTARY APPROVED SALE AGREEMENT

1. BBU Terms and Conditions of Sale will be strictly adhered to by buyer and seller.
2. All cattle to be sold shall be represented by the seller as properly identified with permanent identification number. All identification numbers and holding brands, branded or tattooed on an animal, and the description must match identically the identification numbers, holding brands and description listed on the Certificate of Breeding.
3. The designated BBU official responsible for implementing the above regulations will be at the sale site in ample time to inspect cattle and the accompanying records. All inspections will be carried out with utmost discretion.
4. All cattle, regardless of any classification carried, will be examined to determine that they meet the minimum standards set forth in the "BBU Standard of Excellence". All cattle exhibiting any genetic defect that, at that time, in the opinion of the designated BBU official would be a detriment to the breed, and any cattle that, at that time, in the opinion of the BBU official would classify "X" under the BBU Voluntary Classification Program will be removed from the sale offering and the Certification of Breeding will be surrendered for cancellation. Any animal at that time, that, in the opinion of the BBU official, would classify an underline score of 4 and/or a conformation score of 4 according to the BBU Voluntary Classification Program, shall be immediately removed from the sale offering.
5. All cattle sold (with the exception of First and Second Cross calves under fourteen (14) months of age and the embryo recipients) must have BBU Certificates of Breeding. (All First and Second Cross calves under fourteen (14) months of age must be accompanied by a properly completed and executed Application for Certificate of Breeding.) The sale management or seller must present all Certificates of Breeding (or applications when applicable) to the BBU office fourteen (14) days prior to sale date. Substitute animals will be accepted provided the Certificates of Breeding (or applications) are in compliance with all applicable requirements upon arrival at the sale site.
6. On any lot requiring blood typing and/or DNA genotyping, the results of the blood typing and/or DNA genotyping must be received in the BBU office prior to the date of the approved sale or that lot of cattle will not be allowed to sell on the date of the approved sale.
BBU approved sale catalogs must include the blood type case number and DNA genotype case number of all animals selling that have been typed; and include the blood type case number and DNA genotype case number of the sire and dam (if typed) of all animals selling.
In the event the Board of Directors institute an investigation of the propriety of the certification of any

animal or cause it to be carried out by a special appointed committee, the Board MAY, pending the decision of the investigating parties, suspend the registration of the animal in question and any further registrations of progeny of such animal, and BBU recognized sales or transfers of progeny, semen, embryos, flushes or pregnancies of such animal must involve notice by seller to the buyer or transferee of such investigation. BBU may require written proof of such notice unless it occurs in an Approved Sale.

The Executive Vice-President shall notify the membership by direct mail or announcement in the official publication of BBU of the suspension of registrations of such progeny and of the notice requirements in reference to sales or transfers of such progeny or semen, embryos, flushes or pregnancies of such animal.

Should such an investigation reveal that an animal did not qualify under the By-Laws or Rules of BBU in effect at the time it received its certificate to have received the category of certificate or the pedigree shown on same, the Board of Directors MAY take such actions as it deems appropriate to assist in parentage verifications and maintenance of breed purity including, but not limited to, the suspension or revocation of the certification of the animal in question. From lab reports and/or other accepted, credible evidence and the totality of the circumstances, the Board of Directors may determine the disqualification of the animal in question and will not, after such determination, register additional progeny of such animal which are born after 350 days after the date of a letter from the Executive Vice-President to the membership advising them of such determination. Unless fraud or intentional wrongdoing is reasonably proven by credible evidence to the satisfaction of the Board of Directors, all progeny registered to the animal prior to the notice of disqualification will be left in the registry, but owners of same will be notified of the disqualification and the date it was determined. Additionally, unless fraud or intentional wrongdoing is reasonably proven by credible evidence to the satisfaction of the Board of Directors, all progeny of such animal born prior to or within 350 days after the date of such letter from the Executive Vice-President to the membership advising them of such determination may be registered, but their certificates will disclose the respective parental disqualification. Sales or transfers of such registered progeny, or progeny which may be so registered, in BBU Approved Sales or otherwise will be recognized by BBU provided the buyer or transferee is by the seller given notice of such disqualification prior to incurring any obligation for same. BBU may require written proof of such notice unless it occurs in a BBU Approved Sale. BBU will not in a BBU Approved Sale or otherwise recognize sales or transfers of suspended or disqualified animals, nor of semen, embryos, flushes or pregnancies from a disqualified parent which occur after such a notice of determination of disqualification.

The respective owners must disclose any suspensions and revocations of the certificates of any animal in the pedigree of any animal consigned to a BBU Approved Sale and must provide any notices resulting under the above rules in reference to any lot sold in an Approved Sale by listing them in the sale catalogue under the information for that animal's lot number. If any such suspensions, revocations or notice requirements arise after the sale catalogue has been printed, the respective owners of the lots involved must have announcements made from the box in reference to such resulting suspensions, revocations or notices prior to those animals being sold.

The provisions of the Approved Sale Agreement and of the Terms and Conditions of Sale for BBU Approved Sales shall not alter any relevant agreements existing between BBU and any of its members as of October 27, 2006.

All semen sold at a BBU Approved Sale must have a completed BBU Semen Bill of Sale provided at the time of the sale. The BBU Semen Bill of Sale shall include, if applicable, the blood case number and DNA genotype case number of the bull whose semen is sold. The information required for the BBU Semen Bill of Sale shall be provided to the BBU office.

All frozen embryos sold must have a completed BBU Embryo Bill of Sale provided at the time of the sale. The BBU Embryo Bill of Sale shall include, if applicable, the blood case numbers and DNA genotype case numbers of the sire and dam of the embryo being sold. The completed BBU Embryo Bill of Sale shall be provided to the BBU office.

All A.I. sires and Donor dams must have a DNA profile on file (or blood typing if applicable) at BBU.

7. If an animal is classified, such classification must be reflected in the catalog, as provided for below or on the pen card if applicable or announced from the box.

All existing available official BBU performance information will be included in the following block, (only that portion of the block must be printed where official BBU information exists) for the display of official BBU classification and performance information, unless specifically withheld by the Seller in which case the words "information withheld" will be included when such information is withheld. There is no option to use the words "information withheld" in partial categories while displaying other official BBU performance information.

OFFICIAL BBU INFORMATION		
Classification: ___	Conformation: ___	Underline: ___
Weights & Measures:		
Adj. Birth Wt :	Ratio:	#Contemp:
205 Day Adj. Wt :	Ratio:	#Contemp:
365 Day Adj. Wt :	Ratio:	#Contemp:
Expected Progeny Differences:		
<u>Birth Wt:</u>	<u>Weaning Wt:</u>	<u>Yearling Wt:</u> <u>Milk</u> <u>Total Mat.</u> <u>Scrotal</u>
EPD		
ACC		

8. REMEDIES:

FEMALES: OPEN AND/OR EXPOSED FEMALES are guaranteed to be breeders by twenty-four (24) months of age except in cases of animals purchased and then fitted for show or administered any super ovulation drug. In cases of animals fitted for show or administered any super ovulation drug after purchase, the breeding guarantees, if any, shall be such as agreed upon between buyer and seller. All claims for a refund must be made in writing to the seller within six (6) months after the animal reaches twenty-four (24) months of age. Open females are so guaranteed. If within sixty (60) days after the sale date, a female sold as "open" proves to be with calf, the buyer may return the female to the farm of the seller, provided the female is in good condition and in compliance with the health requirements of the seller's state, and receive refund of the full purchase price. The acceptance of the refund of the full purchase price shall in any case be deemed full satisfaction and settlement of the matter. The buyer's failure to notify the seller within sixty (60) days from the date of sale and to make the election as hereinabove provided shall relieve and absolve the seller of any duty, obligation or liability to the buyer regarding the purchase of said female. The seller and buyer shall bear equally all reasonable and necessary transportation expenses that are incurred in returning the animal to seller.

SAFE IN CALF FEMALES have been examined by a competent veterinarian and are so guaranteed. If within thirty (30) days after sale date, a female sold as "safe in calf" proves not to be in calf, the buyer may immediately request that the female receive service from the bull previously used, if available, or return the female to the farm of the seller, provided the female is in good condition and in compliance with the health requirements of the seller's state, for a refund of the full purchase price. The acceptance of the refund of the full purchase price shall in any case be deemed full satisfaction and settlement of the matter. The buyer's failure to notify the seller within thirty (30) days from the date of sale and to make the election as hereinabove provided shall relieve and absolve to the seller of any duty, obligation or liability to the buyer regarding the purchase of said female. The seller and buyer shall bear equally all reasonable and necessary transportation expenses that are incurred in returning the animal to seller.

FLUSHES AND TIME REQUIREMENTS: A flush consists of all viable embryos, transferred or frozen received from a female as the result of the administration of any super ovulation drug. The sale of a flush or resulting pregnancies must specify in the sale catalog the number of pregnancies guaranteed and the disposition of any other pregnancies resulting from the flush, the disposition of any frozen embryos resulting from the flush and any additional charge for the recipient

cows. Further the maximum time for the delivery of the guaranteed results must be specified along with a payment schedule. Non delivery or only partial delivery by the specified time by the seller will result in a refund (pro rata to that delivered) of all monies previously paid by the buyer for such flush or pregnancies not delivered.

PREGNANCY AND/OR PREGNANT RECIPIENT COW:

A pregnancy and/or pregnant recipient cow is a cow of any breed that is carrying a pregnancy (examined by a licensed veterinarian and so guaranteed as safe in calf) as the result of a flush as so stated on the certification of embryo transplant form. Such pregnancy and/or pregnant recipient cow is guaranteed to be carrying the embryo pregnancy so stated and if found not safe in calf by a licensed veterinarian within thirty (30) days of delivery of the recipient cow to the buyer, the buyer will have the same remedies as so stated herein for the safe in calf females. The amount bid by the buyer for the individual pregnancy and/or pregnant recipient cow offered at a sale will be inclusive of the recipient cow with no additional cost. A pregnancy and/or pregnant recipient cow should be available at the sale site; however, if not available it must be delivered to the buyer, at the seller's expense, within thirty (30) days of the sale with the necessary health papers sufficient for delivery to buyer.

CLONES: Only BBU replication cell-cloned animals shall be eligible for registration and eligible to sell in BBU Voluntary Approved Sales. Genetically modified animals shall not be eligible for registration and cannot sell in BBU Voluntary Approved Sales. Cloned animals shall be guaranteed by the seller(s) to be breeders under the same terms of this agreement for females and bulls. **ALL ADDITIONAL GUARANTEES WITH RESPECT TO CLONES SHALL BE A SEPARATE AGREEMENT BETWEEN BUYER AND SELLER.**

BULLS: If within one-hundred twenty (120) days from the date of sale, the bull has failed to pass a Breeding Soundness Evaluation (BSE) certified by a licensed veterinarian, the BSE test and notice of failure of the test must be sent to the seller within 120 days of the sale. Another Breeding Soundness Evaluation (BSE) should be performed on the bull by a licensed veterinarian or technician certified by a licensed veterinarian mutually agreeable to the buyer and seller at the buyer's expense. The results of the test certified by said veterinarian shall be deemed final and conclusive of this matter and binding on both Parties. If, in the opinion of said veterinarian, the bull is unable to pass a Breeding Soundness Evaluation (BSE) and be confirmed a satisfactory potential breeder, he shall so certify in writing to the seller and the buyer including sending an official BSE form. In such event the buyer may return the bull to the farm of seller, provided the bull is in good condition and in compliance with the health requirements of the seller's state, for a refund of the full

purchase price. The acceptance of the refund of the full purchase price shall in any case be deemed full satisfaction and settlement of the matter. The seller and buyer shall bear equally all reasonable and necessary transportation expenses that are incurred in returning the animal to seller. A listing of industry standards for bulls at various ages will be printed in the sale catalog.

9. Fees for all services rendered in BBU Approved Sales are:
- a.) \$1,250 or \$10 per head inspected, whichever is greater.
 - b.) All transfer fees on all cattle for which the seller has received full payment must be paid to BBU within thirty (30) days after date of sale. Failure to comply with this transfer fee payment policy will result in the transfer fee doubling, after thirty (30) days from the date of sale.
 - c.) If full payment of the inspection and transfer fee is not received by BBU within sixty (60) days from the date of sale, the member or members will be in violation of this agreement.
 - d.) A \$500 non-refundable, non-transferable deposit is required from any member(s) to secure/schedule an Approved Sale date on the official BBU sale calendar. The deposit will be applied to the BBU Approved Sale inspection fee.
 - e.) The \$500 deposit fee will be forfeited if the originally secured date is changed or cancelled and it will be necessary to deposit an additional \$500 to secure/schedule any other Approved Sale date.
 - f.) The deposit in no way guarantees or implies that the date secured will be reserved exclusively for any sale.
 - g.) BBU Satellite Associations are not required to pay the \$500 deposit to initially secure/schedule a sale date. However, if a Satellite sale is scheduled for a particular date and later changes, the Satellite will then be required to submit a \$500 deposit in order to secure a different date.

10. BBU Certificate of Breeding number of the service sire of a bred female must be indicated in the sale catalog (if multiple sire, so state in the catalog).

I understand and further agree that I will not participate, directly or indirectly, in any unapproved Beefmaster sale held on the same day at the same site of this BBU Approved Sale.

In making this agreement, I agree to indemnify and hold harmless BBU, its officers, directors and duly authorized representatives from any liabilities which may arise from a BBU Approved Sale. I have read and understand all of the above rules governing BBU Approved Sales; I understand that if I voluntarily agree to enter into an Approved Sale, these rules shall apply to the sale and, I will abide by said rules.

These provisions shall not apply to any sale that has not qualified to the satisfaction of Beefmaster Breeders United as a "BBU Approved Sale." Such qualification shall be

manifested by the certifying statement of an authorized person on the staff of or an officer or director of BBU expressed from the sale box immediately prior to the sale.

By signing this agreement, I agree to abide by all current and any future revisions of the BBU Voluntary Approved Sales Program as same may be from time to time amended or revised by BBU. I acknowledge that I have a current copy of Terms and Conditions of Sale and of BBU's Voluntary Approved Sale Agreement. My agreement to be so bound shall remain effective until BBU's receipt of a written revocation by me. No obligations that arise prior to such revocation will be changed by such revocation. BBU will keep the membership informed of revisions to such Terms And Conditions of Sale and the Voluntary Approved Sale Agreement by announcements in its official breed publication, The Beefmaster Cowman, or by a general direct mailing and will provide a member additional current copies of same upon request.

FAILURE BY A MEMBER TO COMPLY WITH THIS SIGNED AGREEMENT WILL BE AUTOMATIC CAUSE FOR APPEARING BEFORE THE BBU ETHICS AND RULES COMMITTEE TO SHOW CAUSE WHY HE SHOULD BE PERMITTED TO RETAIN HIS MEMBERSHIP IN BBU.

For Consignors: "This Agreement shall be binding upon me from this day forward for all BBU Approved Sales in which I participate as a Consignor, and shall remain in effect and binding upon me until such time as I or BBU shall in writing revoke this Agreement."

For Sale Managers and Consultants: "This Agreement shall be binding upon me from this day forward for all BBU Approved Sales in which I participate as Sales Manager and/or Consultant, and shall remain in effect and binding upon me until such time as I or BBU shall in writing revoke this Agreement."

NAME: (PLEASE PRINT)

BBU CUSTOMER/MEMBERSHIP #:

DATE

SIGNATURE