

Cattle Feeding Agreement

Tyson Fresh Meats (TFM) hereby enters into this Cattle Feeding Agreement with the producer named below (EASTERDAY RANCHES, INC.), located at:

5235 North Industrial Way
Pasco, WA 99301

EASTERDAY RANCHES, INC. has requested to have cattle on feed at EASTERDAY RANCHES, INC.'s or EASTERDAY RANCHES, INC.'s affiliate's feedyard that EASTERDAY RANCHES, INC. will manage, and EASTERDAY RANCHES, INC. will provide TFM a return of all invested capital (including interest) plus \$15 per head in accordance with the terms hereof.

By entering into this agreement, EASTERDAY RANCHES, INC. expects to utilize feedyard capacity, charge reasonable costs for managing the feeding and care of the feeder cattle, and keep all profits, if any, above and beyond the amounts returned to TFM pursuant to the settlement mechanisms provided herein.

Notwithstanding, EASTERDAY RANCHES, INC. understands that EASTERDAY RANCHES, INC. is not guaranteed a profit and that EASTERDAY RANCHES, INC. bears the market risk that cattle fed hereunder will not return amounts sufficient to return TFM's invested capital (including interest) plus \$15 per head.

Procurement and Volume:

EASTERDAY RANCHES, INC. will procure feeder cattle into the program and provide feeding space at EASTERDAY RANCHES, INC.'S or EASTERDAY RANCHES, INC.'s affiliate's feedyard for 75,500 to 90,500 head of cattle. The feeding space will be turned approximately twice per year for an annual capacity of approximately 145,000 to 190,500 head. EASTERDAY RANCHES, INC. will feed and manage the cattle to an acceptable finished weight and provide them to TFM's Pasco WA 032 plant for slaughter during the term hereof. **In the event EASTERDAY RANCHES, INC. desires to utilize a third-party feedyard for feeding cattle under this agreement, EASTERDAY RANCHES, INC. must first obtain the written consent of TFM.**

Under no circumstances does TFM expect or want EASTERDAY RANCHES, INC. to place cattle that are not profitable. If at any time EASTERDAY RANCHES, INC. does not believe that EASTERDAY RANCHES, INC. will reach the approximate volume profitably, EASTERDAY RANCHES, INC. must notify TFM cattle procurement so as to allow TFM to make other arrangements. In the event any amount under the agreement is past due and owing by EASTERDAY RANCHES, INC., no additional cattle may be placed with EASTERDAY RANCHES, INC. by TFM.

Funding of Cattle

EASTERDAY RANCHES, INC. will provide TFM supporting documentation in regards to procurement costs of feeder cattle showing the type, weight, kind and lot designation of the feeder cattle EASTERDAY RANCHES, INC. proposes to be purchased and fed pursuant to this agreement, along with reasonably detailed calculation of the estimated breakeven for each lot.

TFM shall review the documentation and estimated breakeven calculations and, if TFM reasonably believes that the cattle will be profitable, approve the same. Upon approval, EASTERDAY RANCHES, INC. shall purchase the cattle in accordance with the documentation, and TFM shall reimburse EASTERDAY RANCHES, INC. for the same. Upon reimbursement, EASTERDAY RANCHES, INC. shall, at TFM's request, provide TFM with title documents evidencing TFM's ownership, including but not limited to bills of sale. TFM will track the costs of feeder cattle in TFM's system for purposes of settlement as provided herein. The parties are independent contractors and each is responsible for their own accounts. EASTERDAY RANCHES, INC. will not place or permit any security interest on the cattle fed for TFM under this agreement without the express written consent of TFM.

If any feed provider of EASTERDAY RANCHES, INC. asserts or files any lien or claim against EASTERDAY RANCHES, INC. (or does so after the date of this amendment) as security for feed or other supplies provided to EASTERDAY RANCHES, INC. on credit or otherwise, and which lien or claim could potentially cover the cattle under the agreement, EASTERDAY RANCHES, INC. will provide TFM immediate notice of such lien or claim and all pertinent details related to such lien. If TFM determines that the feed provider has unpaid bills for feed that was provided to cattle under the agreement, TFM can pay such feed bills directly to the feed provider and deduct such amounts from any outstanding feed bills from EASTERDAY RANCHES, INC..

Grow Costs

EASTERDAY RANCHES, INC. will bill TFM twice monthly (1st and 15th) the costs associated with growing the cattle to market weight. The bills will be presented to accurately reflect costs by lot of cattle. After TFM receives the bill for feeding and grow costs, TFM will reimburse EASTERDAY RANCHES, INC. for all feeding and grow costs upon review and approval by appropriate TFM management. The exception will be the feed bill for the final month. That feed bill will be included in the calculations of the final settlement. TFM will track such costs in TFM's system for purposes of settlement as provided herein. TFM will be allowed to audit EASTERDAY RANCHES, INC.'s records to confirm the feeding and grow costs, as well as the cost of feeder cattle, and EASTERDAY RANCHES, INC. will keep all such records for a period of at least 2 years.

Cattle Delivery and Market Value

EASTERDAY RANCHES, INC. and TFM cattle buyers will coordinate the scheduling and delivery of market ready cattle to TFM's LOCATION plant for slaughter. The market value of the cattle shall be determined by TFM's formula. Cattle presented for slaughter will be grouped by EASTERDAY RANCHES, INC. identified lot designation. No individual delivery should contain cattle from more than one individual lot. (A lot must be closed out within 45 days of the first cattle marketed from that lot; undelivered cattle remaining after 45 days shall be purchased from TFM by EASTERDAY RANCHES, INC..)

The market price will not be paid to EASTERDAY RANCHES, INC. but will be used in the calculation of final settlement as shown in the section titled "Settlement and Return on Investment."

Risk Management

EASTERDAY RANCHES, INC. shall be solely responsible for management of market risks arising hereunder. Any losses resulting from the management of market risk will be the sole responsibility of EASTERDAY RANCHES, INC. and will not be included in the settlement between EASTERDAY RANCHES, INC. and TFM. Notwithstanding, EASTERDAY RANCHES, INC. has the option to use TFM CME contracts, both basis and actual basis, to help manage his risk. If those are used, they will be handled as part of the pricing mechanism, and will be accounted for using normal TFM accounting methods.

Capital Costs

TFM agrees to fund 100% of the procurement and growing costs of cattle. As such, TFM will incur costs related to this funding. TFM's cost of capital will be the 6-month Libor rate in effect as of the date this agreement is entered plus 400 basis points. This rate will be reviewed and updated every six months thereafter for the term of the agreement. EASTERDAY RANCHES, INC. will include TFM's interest cost as part of each lot's final production cost.

Risk of Loss

As caretaker of the cattle, EASTERDAY RANCHES, INC. bears all risk of loss due to casualty, death, accident, weather, acts of God or otherwise. For purposes of certainty, the settlement and TFM's return on investment shall include TFM's negotiated profit with respect to any cattle not delivered.

Settlement and Return on Investment

In consideration of TFM funding the cost of the cattle, along with funding the feed and care of the cattle, EASTERDAY RANCHES, INC. will reimburse TFM all such costs including interest, plus \$15/per head. Within one week after the final head of a lot is delivered to TFM's _____ plant, the final settlement on the lot will be calculated, with the settlement being made by either party within five business days. The calculation will be similar to the following examples:

Example #1:

Head in Lot:	500	
Gross Market Value	\$598,000	
Less: Freight	-\$1,500	
Less: Beef Council	-\$500	
Less: Cattle and Grow Cost	<u>-\$570,000</u>	(Includes TFM interest cost)
Net Lot Profit/(Loss)	\$26,000	
Profit/Loss \$/Hd	\$52.00	
TFM Fixed Return	\$15.00	
Settlement	\$37.00/Head or \$18,500	

In example #1, TFM owes EASTERDAY RANCHES, INC. \$37.00 per head or \$18,500. The settlement is to be paid within 5 business days after the settlement amount is determined.

Example #2:

Head in Lot:	500		
Gross Market Value		\$578,000	
Less: Freight		-\$1,500	
Less: Beef Council		-\$500	
Less: EASTERDAY RANCHES, INC. Incurred Cattle Cost and Grow Cost	<u>\$/hd</u>	-\$575,500	
Less: Tyson incurred work in capital interest cost		-\$25.00	
		<u>\$12,500</u>	
Net Lot Profit/(Loss)		-\$24.00	
\$12,000			
TFM			Fixed
Return	\$15.00	\$7,500	
Lot Margin Results vs. \$15.00 / hd		-\$39.00	-\$19,500

NET Cash Settlement:

Actual	EASTERDAY RANCHES, INC.	Cattle and Grow	
Cost		\$575,500	
Advance and Grow Cost Payments to EASTERDAY RANCHES, INC.		<u>\$560,500</u>	
Plus: True-up on Gross Cost		\$15,000	
Less: Tyson incurred working capital interest cost		\$12,500	

Less: Tyson paid Freight and Beef Council \$2,000

Plus/Minus	Fixed	Lot	Margin
Results		<u>\$19,500</u>	
NET	Settlement	EASTERDAY RANCHES, INC.	owes

Tyson \$19,000

Example #2: EASTERDAY RANCHES, INC. owes TFM \$39.00 per head or \$19,500 on the fixed margin result. The cash settlement would be \$19,000 paid to Tyson Fresh Meats within 5 business days after the settlement amount is determined. The cash settlement reimburses TFM for interest cost, freight/council cost and the guaranteed \$15.00 per head profit.

Cash Reconciliation:

Tyson Advances	\$560,500
Tyson paid Cost	\$2,000
Tyson Interest	\$12,500
Money from Settlement	<u>-\$19,000</u>
Cattle cost to TFM	\$556,000
Cattle Value	<u>\$578,000</u>
Cattle Margin	\$22,000
	\$44.00
Cattle Profit	\$15.00
Interest Cost	\$25.00
Paid Cost	<u>\$4.00</u>
	\$44.00

Notwithstanding the settlement calculation, EASTERDAY RANCHES, INC. agrees that, with respect to any amounts owed by TFM to EASTERDAY RANCHES, INC. for feed bills, transport bills or other expenses owed by TFM to EASTERDAY RANCHES, INC. under the terms of this agreement, TFM may set off those amounts against any amounts then owing to TFM from EASTERDAY RANCHES, INC. arising from any lot settlements under the agreement.

Past Due Amounts:

Any amount under this agreement that is past due and owing by EASTERDAY RANCHES, INC. for more than 30 days shall accrue interest at the per annum rate of 15 percent, and any amount that is past due and owing for more than 60 days shall accrue interest at the per annum rate of 18 percent. Notwithstanding, if the applicable interest rate pertaining to any balance under this agreement is deemed by a court of competent jurisdiction to be unenforceable, interest shall accrue at the highest rate allowed under applicable law.

Contract Duration

This agreement can be terminated by either party at any time during the term (as defined below) by providing the other party written notice of termination. In the event a party provides such written termination notice hereunder and cattle are still being fed under the terms of this agreement, the parties agree that such cattle will continue to be fed, delivered and paid for under the terms of this agreement; however, no additional cattle will be placed on feed after receipt of such notice. The parties agree that EASTERDAY RANCHES, INC. shall not place any new feeder cattle under this agreement later than three (3) years from the date last written below unless otherwise permitted by the parties in a subsequent writing. Notwithstanding the above, if