



**CONSOLIDATED BEEF PRODUCERS, INC.
("CBP")**

Standing Marketing Agreement

The following Standing Marketing Agreement shall govern the terms of any marketing transaction engaged by CBP in behalf of any person or entity whose cattle are marketed through CBP. In addition to the terms of this Agreement, all marketing transactions by CBP shall additionally be governed by CBP's Articles of Incorporation, its Bylaws as they exist from time to time, and any marketing agreements it may have with its Full Members or Associate Members. By committing cattle to CBP for marketing, the owner(s) of such cattle agree with CBP to the terms of this Agreement. Terms not otherwise defined in this Standing Marketing Agreement have the meanings given in CBP's Bylaws.

1. In order for cattle to be marketed by CBP, the cattle must be owned, in whole or in part, by a cattle producer as defined in the Bylaws of CBP. CBP will only market cattle so owned by a person or entity who is a Full Member or Associate Member of CBP or, a cattle-producing customer of a Full Member or Associate Member (hereinafter referred to as a "Qualified Member.")
2. Any Full Member or Associate Member of CBP who proposes to market its customers' cattle through CBP shall provide CBP with all information necessary to maintain membership records on such customer. Customers of Full or Associate Members whose cattle are marketed through CBP shall become "Qualified Members" of CBP as such term is defined in CBP's Bylaws.
3. To the extent a Full Member or Associate Member wishes to market cattle through CBP (including the cattle of any customer of the Member), the Member must notify CBP, identifying the cattle in such fashion as may be required by CBP, and must do so no later than two weeks before estimated market readiness. Upon such notification, the cattle so identified become Committed Cattle.
4. Any customer of a Full or Associate Member whose cattle are marketed through CBP and who meets the requirements for membership as set out in CBP's Bylaws automatically becomes a Qualified Member, as that term is defined in CBP's Bylaws. Qualified Members may market cattle through CBP only through and pursuant to the authority of a Full or Associate Member of CBP. In the remaining provisions of this Agreement, the term Member shall refer to any Full Member, Associate Member or Qualified Member whose cattle are marketed by CBP.
5. Member designates and appoints CBP as its agent in all matters concerning the marketing and sale of the Committed Cattle. Full power and authority are conferred upon CBP to conduct its marketing activities in such manner as it, in its sole discretion, determines to be for the best interests of its Members. CBP shall have complete discretion in arranging the terms for the sale of the Committed Cattle. This authority includes, without limitation, the right of CBP to group Member's cattle with cattle owned by others in order to try to achieve the best possible marketing result.
6. Member shall retain title to the Committed Cattle until sold by CBP. The Member shall bear the risk of loss of the Committed Cattle until title to the Committed Cattle passes in a sale by CBP to a buyer. Member agrees to deliver the Committed Cattle to the buyer of such cattle in accordance with the terms of any agreement made by CBP. CBP shall not be responsible for conduct of any hedging transactions for Member; nor shall CBP be responsible for any gains or losses which may be incurred by Member in connection with hedging transactions.
7. Member agrees to pay CBP the Marketing Fee established by the Company for any cattle marketed through CBP. CBP's Marketing Fee shall be assessed on a per head basis. The amount of the Marketing Fee shall be the amount posted, from time to time, at CBP's offices. Member agrees and understands that CBP is a nonprofit corporation organized under the livestock marketing provisions of the Texas Cooperative Marketing Act. CBP may, or may not, accumulate Member capital or pay patronage dividends, solely within the discretion of CBP's Board of Directors.