

COW BOARDING AGREEMENT

Rev. 20090701

This agreement is made and entered into to be effective as provided herein by and between
Roses Isle Farms, whose address is 30050 Big Springs Rd, Calhan, CO 80808
and

_____, whose address is _____, _____, _____

RECITALS

A. The Emissaries (Roses Isle Farms also known as the Farm) are the owner of the dairy facilities at 30050 Big Springs Rd, Calhan, CO, for the holding, caring for, handling and milking of dairy cows (female bovines), on behalf of Boarder and others of the dairy cows which will constitute the hereafter defined Herd.

B. Boarder is the owner of:

An undivided interest of ____ (_____) shares in a herd (herein called the "herd") of dairy cows (female bovines) located at the Dairy Facilities, the address of which is 30050 Big Springs Rd, Calhan, CO 80808 and all replacements and increase of the dairy cows, which herd constitutes and shall constitute all of the dairy cows, producing or dry, at this location.

C. Boarder (together with the owners of all the undivided interests in the Herd who are each entering into an agreement with Roses Isle Farms substantially similar with this one) desires to board the herd with Roses Isle Farms and to have Roses Isle Farms care for and milk the cows in the Herd, and Roses Isle Farms desires to take on the boarding obligation

AGREEMENTS

NOW, THEREFORE, for and in consideration of the recitals and the mutual obligations contained in this agreement, the parties agree as follows:

1. Definitions. In addition to other terms defined in this agreement, for purposes of this Agreement, the terms:
 - a. "Boarding" shall mean having possession of, feeding, maintaining and caring for the Herd, milking the Herd and preparing the production of milk from the Herd for pick up by the individual Herd owners.
 - b. "Herd Agreements" shall mean collectively this agreement and all of the other agreements substantially similar to this one signed by the owners of the remaining undivided interests in the Herd.
 - c. "Herd owners" shall mean collectively all of the owners of undivided interests in the Herd.
 - d. "Percentage Interest" shall mean the undivided percentage interest of Boarder (or another person) in the Herd determined by dividing the total number of the Boarder's (or other person's) undivided number of shares in the Herd by the total number of shares created and existing from time to time in the entire Herd.
 - e. "CO-OP" shall mean the cooperation of fellow head owners.
2. Delivery of Herd for Boarding. Upon the execution of agreements substantially similar to this one by the owners of all the ownership interests in the Herd, Roses Isle Farms shall take possession of the Herd for and on behalf of the owners.
3. Boarding Fees. For boarding the Boarder's undivided interest in the Herd, Roses Isle Farms shall be paid by Boarder a uniform monthly fee equal to \$32.00 per share of the Herd owned by Boarder. The first month's boarding fee shall be paid with the execution of this Agreement. Thereafter, the Boarder shall pay the uniform boarding fee to Roses Isle Farms, in advance, on or before the Twentieth (20th) day of each month during the time this agreement is in effect. The parties agree the amount of the uniform boarding fee is a fair and reasonable charge equal to the actual average costs to be incurred by Roses Isle Farms for its services to be provided to Boarder under this Agreement. Boarding fees will be paid during the "dry" periods consisting of approximately 2 months during the year when owners will not be receiving milk shares.

- a. A late fee of \$8.00 per share may be assessed if boarding fee is not received by the 30th of the month.
- b. Returned Check fee of \$20.00 per returned check.

4. Jars

- a. Jar fee: Boarder shall pay Roses Isle Farms a jar fee equal to \$10.00 per share for the use of jars to hold boarder's share of milk with the execution of this agreement. This fee may recur at the farms discretion but no more often than bi-annually. This is non-refundable.
- b. Usage: Boarder agrees not to use jars for any other purposes than to hold their share of milk. The jars will not be used for fermenting, culturing, etc. (If boarder would like jars for other purposes, Roses Isle Farms may have new or used jars available. Please contact us)
- c. Return of Jars: Unless other arrangements are made between Roses Isle Farms and Boarder. Boarder forfeits share of milk production for as long as boarder does not return previous jars to store Boarders share of milk production. Roses Isle Farm can dispose of Boarders share of milk production by any means
- d. Cleaning: Boarder is expected to return their jars washed and sanitized. Roses Isle Farms may charge a \$2.50 cleaning fee for each jar return unwashed. (This includes smelling of sour milk, etc...)
- e. Breakage: Boarder is responsible for any jar breakage while the jar(s) is in their care and will pay Roses Isle Farms \$2.50 per broken jar if not replaced by boarder (jars must be replaced with the same jar type and size as originally furnished by Roses Isle Farms).

5. Shares of Milk

- a. Boarder shall be entitled to receive milk production from Boarder's undivided shares in the Herd. The milk production attributable to Boarder's undivided interest shall be equal to Boarder's Percentage Interest in the total weekly milk production from the Herd.
- b. Boarder shall pick up Boarder's share of milk production at least one time per week (or more frequently if Roses Isle Farms determines that to be necessary to preserve the milk for its owners) at times to be specified by Roses Isle Farms; provided, that Roses Isle Farms shall make every reasonable effort to make those times convenient for the Herd owners by soliciting comments on scheduling from the Herd owners. Any share of milk not picked up by 8 PM local time on the day agreed upon can be disposed of by Roses Isle Farms by any means.
- c. Dry period- all of the herd will have approximately a two-month dry period before calving. During this "dry" period in which the individual cow will not be producing, milk shares for those owners will not be available. Roses Isle Farms will inform the owners of said cows as soon as reasonably possible. Roses Isle Farms will make every effort to manage the herd to keep dry periods to a minimum.
- d. Withdrawal period - In some cases, the cow may need to be placed on medication(s) to treat ailment(s). Many medications have a withdrawal period and milk will not be available during this time. Roses Isle farms will inform the owners as soon as reasonably possible.

6. Delivery

a. CO-OP

1. Roses Isle Farms does not own or manage any of the CO-OP(s). Each CO-OP is self- managed by the herd owners that make up the CO-OP. It is up to each CO-OP to setup its own manner of operation.
2. Roses Isle Farms shall not be held liable for any issues with the CO-OP. This includes but not limited to, lost or forgotten production, soured milk, quarrels, etc.
3. Membership in a CO-OP does not exclude the herd owner from the jar return policy. We recommend that CO-OP come up with a system that works best for them to ensure the Farm receives the empty jars back from each member of the CO-OP on a weekly basis.
4. Boarder authorizes Roses Isle Farms to release boarder's share of production to any other herd owner or herd owner's agent to facilitate the CO-OP.
5. Minimum standards:
 1. Keep production cold (32°F to 42°F) from the time of pickup to the time of delivery.
 2. Return empty jars of other herd owners.
 3. Ensure only herd owners or their agent take delivery of production.

b. Delivery Services

1. Boarder may contract with a delivery service that is approved by Roses Isle Farms so long as boarder or delivery service provides Roses Isle Farms with a copy of the signed agreement between the boarder and the delivery service.
2. Boarder is responsible for any and all damages to Roses Isle Farms caused by the delivery service. This includes

- but is not limited to broken jars. It is up to boarder to ensure liabilities are worked out with delivery service.
3. Boarder will indemnify and hold harmless the Farm for any loss incurred by the border from the actions of the delivery service. This includes but is not limited to sour milk, loss of production, late delivery, etc...
 4. Use of delivery services does not exempt boarder from any requirement of this agreement.

7. Duties of Roses Isle Farms. In addition to any other duties provided for in this Agreement, Roses Isle Farms shall have the following duties in connection with boarding the Herd:

- a. To receive the Herd for boarding at its principal place of business and to provide any other reasonable services required for in this Agreement or requested by the Herd owners;
- b. To manage the Herd for and on behalf of the Herd Owners and to acquire and dispose of cows as shall be necessary to maintain health and productivity of the Herd;
- c. To pay all expenses for maintaining and caring for the Herd as required above;
- d. To provide reports to the Boarder as shall be appropriate to apprise Boarder of the condition of the Herd and any other information, which Roses Isle Farms believes will be useful to Boarder in monitoring the health and performance of the Herd with respect to Boarder's interest in the Herd.

8. Special Services. In addition to the uniform boarding fee provided for in this Agreement, should the Boarder request Roses Isle Farms to provide any special service beyond the boarding and milking required under this Agreement, Boarder and Roses Isle Farms shall agree as to the amount of additional charges, if any, to be paid by Boarder to Roses Isle Farms for the special services.

9. No Sales of Milk. Boarder and Roses Isle Farms acknowledge that the sale of raw milk is prohibited by the State of Colorado. Under no circumstances shall Boarder or Roses Isle Farms transfer the ownership or possession of any milk production from the Herd in any transaction, which would constitute a sale of milk in violation of the statutes of the State of Colorado or the regulations of the Colorado Department of Public Health and Environment. Boarder and Roses Isle Farms each agrees to indemnify and hold the other harmless for any liability, loss, damage, expense or penalties which are incurred by the other because of a breach of the provisions of this section by the indemnifying party.

10. Lien for Charges: Enforcement

- a. Roses Isle Farms shall have, and boarder specifically grants to Roses Isle Farms, a lien and security interest in the undivided interest of boarder in the Herd for all unpaid boarding and other charges resulting from the boarding and care of the animal and other services required or requested of Roses Isle Farms by Boarder under and pursuant to this Agreement.
- b. Boarder agrees that in the event the charges due from Boarder to Roses Isle Farms are not paid within the time provided herein or otherwise agreed between the Boarder and Roses Isle Farms, Roses Isle Farms may exercise its lien rights, and in connection with such rights, may dispose of Boarder's interest in the Herd for any and all unpaid charges at public or private sale, with or without public notice or notice to Boarder of sale, after ten (10) days notice to Boarder of the unpaid charges. In the event the sale does not secure a sufficient price to pay the costs of board and other charges, plus costs of sale, Boarder shall pay to Roses Isle Farms the difference within ten (10) days of demand by Roses Isle Farms. Any amounts realized by Roses Isle Farms at the sale, over and above charges due and costs of sale, shall be returned to Boarder.

11. Owner Transfer

- a. Boarder specifically represents and warrants to Roses Isle Farms that boarder is the owner of the undivided interest in the Herd described in the recitals and has acquired the interest in the herd for Boarder's own use and benefit.
- b. Boarder shall not transfer or assign any of Boarder's rights or interests in the Herd or under this Agreement without the prior written consent of Roses Isle Farms, and without the transferee or assignee having entered into a Herd Agreement covering the interest being transferred or assigned prior to or contemporaneously with the transfer or assigned prior to or contemporaneously with the transfer or assignment. Boarder shall at no time and under no circumstance sell or exchange any of Boarder's interest in the production from the Herd and shall at all times use the Boarder's share of production for Boarder's own use. Because all of the Herd Agreements are interdependent and cannot function without all interests in the Herd being covered by them, notwithstanding the foregoing, if any court orders a transfer or assignment of an interest in a proper cause of action, the Court is requested to make the transfer or assignment subject to the terms of a Herd Agreement with respect to the transfer or assignment being ordered by the Court.

12. Liability.

- a. Roses Isle Farms shall not be liable to Boarder for any loss or damage to the Herd or for anything resulting from the care and maintenance of the Herd by Roses Isle Farms or from handling of production from the Herd by Roses Isle Farms so long as Roses Isle Farms shall have complied with the requirements of this Agreement with respect to the Herd or milk production from it.
- b. Roses Isle Farms shall not be liable to Boarder for any sickness, injury, death, loss or damage from the production of raw milk produced and delivered to Boarder from Boarder's share of the Herd.
- c. Notwithstanding the foregoing, Roses Isle Farms shall indemnify and hold Boarder harmless for any loss, damage, liability or expense caused by any animal in the Herd to the person or property of Herd Owners or third parties because of the gross neglect or intentional act or omission of Roses Isle Farms.

13. Damage Claims. In the event Boarder seeks to assert any claim against Roses Isle Farms for any reason in connection with this Agreement or the activities of Roses Isle Farms under it, Boarder must file a written claim with Roses Isle Farms stating the nature of the claim and the amount of relief sought within thirty (30) days after Boarder becomes aware of the circumstances giving rise to the claim. Unless Boarder files a claim within the prescribed time, Boarder waives any and all rights that Boarder may have against Roses Isle Farms for any liability arising under this Agreement.

14. Arbitration of Disputes. All disputes, claims, and questions regarding the rights and obligations of the parties under the terms of this Agreement are subject to arbitration. Either party may make a demand for arbitration by filing a demand in writing with the other party within ninety (90) days after the dispute first arises. Thereafter, the arbitration shall be conducted by three arbitrators (one appointed by Boarder, one by Roses Isle Farms, and a third by the two arbitrators) in accordance with the rules of commercial arbitration of the American Arbitration Association. Each party shall pay the parties own costs in connection with the arbitration and the parties shall pay the costs of the arbitrators in equal amounts.

15. Effective Date; Termination.

- a. This Agreement shall be effective upon the first day of the month following the execution of Herd Agreements by all of the Herd owners. Roses Isle Farms shall promptly notify Boarder of the effective date of the Agreement.
- b. This Agreement shall continue so long as the Herd Agreements are in effect for the entire Herd. If any one of the Herd Agreements, other than this one, shall be terminated for any reason, this Agreement shall continue in effect for an additional one hundred and eighty (180) days during which time Roses Isle Farms and the remaining Herd owners may seek to obtain one or more Herd Agreements covering that portion of the Herd which was covered by the terminated Agreement(s). If a replacement Herd Agreement is not obtained within the specified time period, this agreement may be terminated by Roses Isle Farms pursuant to subsection 15 c below. In seeking a replacement Herd Agreement, Roses Isle Farms may for its own account determine to take on the obligations under a terminated Herd Agreement; provided that in so doing, Roses Isle Farms will take no actions which would involve the sale of milk from the Herd in contravention of a Herd Agreement or the laws and applicable regulations of the State of Colorado.
- c. This Agreement may be terminated by Roses Isle Farms upon thirty (30) days notice.
- d. This Agreement may be terminated by Boarder if the Boarder has found another person who is acceptable to Roses Isle Farms who acquires Boarders interest in the Herd and signs a Herd Agreement substantially the same as this one.
- e. If this Agreement is terminated with a replacement Herd Agreement being signed, Boarder agrees to sell Boarders interest in the Herd to the person(s) signing the replacement Herd Agreement so long as Boarder shall receive a price equal to the price Boarder originally paid for Boarders interest in the Herd.
- f. Roses Isle Farms can buy Boarders interest in the Herd at any time for any reason without notice to Boarder for the amount equal to the amount originally paid for the Boarder interest in the Herd.
- g. Boarder is still responsible for boarding fees until boarders share in the herd is sold pursuant to this agreement. Shears are sold thru the farm on a first in first out order.
- h. If a Boarder terminates this agreement after being notified of an impending dry period or any time during the dry period and does not provide another person(s) who is acceptable to Roses Isle Farm to acquire all shares covered by this agreement then boarder agrees to pay Roses Isle Farms a "Dry Period Termination Fee" equal to the cost of the shares covered by this agreement.

16. Amendment

- a. Roses Isle Farms may amend this agreement at any time with written notice to boarder 30days prior to effective date. If boarder does not respond by effective date boarder agrees to new terms.
- b. Boarder authorizes Roses Isle Farms to adjust the number of shares in section B of this agreement via e-mail correspondence from the boarder.
- c. If boarder is on Auto-Billing, boarder authorizes Roses Isle Farms to accept e-mail correspondence from boarder to make or change drafts from boarders account.

17. Force Majeure. Notwithstanding anything to the contrary in this Agreement, Roses Isle Farms shall not be responsible for any delay or failure of its performance under this Agreement if the delay or failure is caused by any matter beyond the control of Roses Isle Farms including, but not limited to, an illness in the Herd not caused by a breach of Roses Isle Farms duties under this Agreement and which Roses Isle Farms has promptly taken steps to have treated or corrected, death of cows in the Herd which does not result from a breach by Roses Isle Farms of its duties under this Agreement, government regulations public emergency or necessity, legal restrictions, labor disputes and actions related thereto, riot, war, insurrection, windstorms, rainstorms, snowstorms, floods or other acts of God.

18. Miscellaneous.

- a. Construction. When necessary for proper construction, the masculine for any word used in the Agreement shall include the feminine and neuter gender, the singular, the plural and vice versa.
- b. Governing Law. This Agreement is being executed and delivered in the State of Colorado and shall be constructed in accordance with and governed by the laws of such state.
- c. Captions. The captions of sections and subsections contained in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of the Agreement.
- d. Entire Agreement. This Agreement constitutes the entire contract between the parties and may not be modified or amended except in writing signed by both parties.
- e. Waiver. No assent or waiver, expressed or implied, to any breach of any one or more of the covenants or agreements hereof shall be deemed or taken to be a waiver of any succeeding breach.
- f. Incorporation by Reference. All schedules, exhibits and attachments referred to in this Agreement are incorporated by reference and made a part of this Agreement.
- g. Assignment. This Agreement and each of its provisions shall inure to the benefit of and be binding upon the parties, their successors and permitted assigns.

IN WITNESS, WHEREOF, the parties have executed this Agreement on the dates shown below to be effective on the date described above.

ROSES ISLE FARMS

 (Signature) Date: _____ By: Kevin or Cheryl Rose

kevin@rosesislefarms.com (E-Mail) (719) 478-3008 or (719) 528-1208 (Telephone)

BOARDER:

 (Print Name) _____
 (Signature) Date: _____

SHARE OWNER
 (Title)

 (E-Mail) (Telephone)

Preferred method of contact: Email or Phone

Pickup Day: _____ CO-OP _____ Sub-CO- OP _____