

Kemp Family Organic Farm  
**Herd Share Bill of Sale, Agistment and Production Rights  
 Agreement**

<b>Seller</b>	<b>Buyer</b>
Kemp Family Organic Farm Delmar Kemp, Proprietor	John Q. Public
<b>Address:</b> 7313 W 1050 S Milroy, IN 46156	<b>Address:</b> 123 Main Street Anytown, IN 46123
<b>Telephone:</b> (765) 525-9377	<b>Telephone:</b> (317)123-2345

**1) Definitions Used in this Agreement.**

- a. Herd  
The herd of dairy cattle owned and/or managed by Seller.
- b. Agistment  
The provision of herd boarding and maintenance. For this agreement, Seller is the Agister, the provider of agistment services.
- c. Share  
A fractional interest in one (1) cow in Sellers herd consisting of 2.3% of the cow's weekly production of raw milk measured in US gallons. This assumes an average production per cow of six and one quarter (6.25) gallons of whole milk per day. A single share is 1 (one) gallon equivalent per week [refer to 1) c below]. The share does **not** represent an interest in any **specific** cow.
- d. Gallon Equivalent (abbreviated GE)  
The number of gallons of raw cow's milk required to produce one specified unit of measure of a specific dairy product:
  - i. 1.0 Gallon Raw Whole Milk = 1.0GE
  - ii. 1.0 Gallon Raw Skim Milk = 1.05GE
  - iii. 1.0 Pint Raw Heavy Cream = 3.2GE
  - iv. 1.0 Pound Butter = 2.4GE
  - v. 32 Ounce Regular Yogurt = 0.30GE
  - vi. 12 Ounce Skim Milk Curds = 1.0GE

**2) Size and Nature of the Herd**

- a. The herd size (number of cows) has no specific minimum or maximum, rather, it is the number of cows necessary to provide at least 1.0 GE per week for every share sold. Therefore, the herd size may increase or decrease with the number of outstanding shares.

- b. The herd is to consist of only Jersey cows having A2/A2 genetics.
- c. The herd and bulk dairy operations shall be maintained as USDA Certified Organic. However, butter, yogurt, and cheese are **NOT** Certified Organic, they are Organically Managed<sup>1</sup>.
- d. The herd shall be maintained at the Seller address above. Other locations for the herd and/or dairy operations may be used solely at Seller's discretion if needed.
- e. Seller may add or replace cows in the herd as necessary due to death, injury, illness, or cow(s) becoming dry.

### 3) Price and Renewal Details

- a. Each share shall have a cost of \$520.00 (five hundred twenty USD). This share price includes boarding, milking, facilities use, herd health care, product packaging, short term product storage, regulatory compliance, and product distribution to regional pickup locations, and Seller profit.
- b. The price of a share may be adjusted annually by Seller with 30-day written notice to Buyer.
- c. Each share shall have a duration of 365 days from the date of purchase or renewal.
- d. Share(s) may be purchased through installments or in advance: monthly, quarterly, or as a single annual payment. If share(s) are purchased in a single (annual) payment a discount of 5.0% may be taken. If paid in quarterly installments a discount of 2.5% may be taken.
- e. If Buyer falls in arrears with periodic payment the right to a share of herd production is suspended until the account is brought up to date.
- f. Shares must be renewed not less than 30 days before expiration and will renew at the current price, per Seller website or marketing mailings. Shares not renewed will be treated as a new account.

### 4) Method of Payment

- a. At Seller Farm, payment by check or cash only.
- b. At Farmers' Market, payment by check, cash, debit card, credit card.
- c. On-line payment, by debit card, credit card only.

### 5) Number of Shares Purchased and Production Rights

Buyer agrees to purchase, and Seller agrees to sell \_\_\_\_\_ share(s) of the herd defined above.  
Buyer's interest in the Herd includes a share of the weekly milk production from the Herd equal to

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<sup>1</sup> The term "Organically Managed" has no regulatory meaning. Rather, it is a statement by the Seller that the operation follows the regulations and best practices published by the USDA National Organic Program but has not yet requested nor been granted certification for those activities.

one GE [refer to 1) c above] per share per week.

**a. Delivery and/or Pickup of Weekly Production Rights**

Buyer may take delivery of their weekly production rights in any of the following ways:

- i. Pickup at the Seller's farm (a 3% discount applies).
- ii. Pickup at a farmers' market at which Seller is participating (a 2% discount applies).
- iii. Pickup from nearest defined, scheduled delivery location near Buyer (no discount). Scheduled delivery locations are identified on Seller website.

**NOTE:** Discounts defined in items 5) a i and ii are provided as credit towards the next periodic payment or next renewal.

**b. Pickup Locations**

Seller will inform Buyer of any changes (removal or additions) to regional pickup locations by way of letter, email, or publication on Seller website as such changes are made. Buyer may choose any of the pickup locations by notifying Seller at least one week in advance of a scheduled delivery.

**6) Failure to Take Possession of Production Rights**

If Buyer fails to take possession of the week's production rights at the date, place, and time arranged Buyer is still responsible to pay for the products. Should Seller be unable to provide agreed upon products at the date, place, and time arranged then Seller will refund 1/52<sup>nd</sup> of the share value plus the value of any share independent items [refer to 7) below].

**7) Share Independent Items**

If a shareholder wants more than 1.0GE of product in any given calendar week they may purchase additional product at a price of \$10.00 (ten USD) per GE if Seller has sufficient surplus raw milk on hand.

**8) Clear Title**

Seller warrants that at time of sale, Seller has full legal and equitable ownership of the Herd interest and that the Herd is not subject to any liens or security interests (recorded or unrecorded) of any lender or other third party.

**9) Buyback of Shares**

Should Buyer wish to sell his/her interest in the Herd:

- a. Buyer must provide 30 days written notice of intent to sell.
- b. Buyer may sell share(s) only to Seller, no third-party sales are allowed.

- c. Seller will buy back the unused portion of the share(s) the Buyer wishes to sell back to Seller using the formula:  
Buy Back Amount = ((Days Before Share Expiration) ÷ 365) X Share Price

**10) Regulatory Restrictions**

- a. Seller and Buyer recognize that the unlicensed sale of raw milk and raw milk products is prohibited in the State of Indiana.
- b. Buyer shall not sell any of the production (milk or other dairy products) or transfer such products to any other person or entity.

**11) Assumption of Risk**

- a. Buyer understands that farming and dairy operations are inherently dangerous. Should Buyer visit the Seller facilities Buyer assumes all liability for injury or damage.
- b. Buyer understands that consumption of raw dairy products comes with risk of consuming harmful pathogens and that such practice is not recommended by the Food and Drug Administration (FDA) or Center for Disease Control (CDC). Buyer assumes all liability for any harm or damages resulting from the consumption of products provided under the terms of this agreement.

**12) Risk of Loss**

Risk of loss concerning the Herd Share sold under this Agreement will pass from Seller to Buyer upon the signing of this Agreement.

**13) Governing Law**

This Agreement shall be construed exclusively in accordance with the laws of the State of Indiana.

**14) Severability**

If any part of this agreement is found to be unenforceable the remaining terms of this agreement shall remain in force.

**15) Whole Agreement**

This document is the whole agreement. It may not be changed without the prior written consent of both parties.

**16) Use of Electronic Signatures**

This agreement may be provided as either hard copy (printed) or as an electronic document using the PDF protocol (format). When used as a PDF the document, except for the signature blocks, is write protected (locked from change). The electronic signature capability of most PDF reader software is used to endorse the agreement. The agreement may be exchanged between Seller and Buyer either by download/upload via the Seller's website (operated by OrganicXpress unit of SFV Holdings, Inc.) or by electronic mail (email).

**17) Security of Financial Information**

All credit and debit card transactions related to this agreement are processed through Seller’s card processor (either Square or Stripe). Seller **DOES NOT** retain complete account numbers, security codes, or expiration dates. The card processor provides Seller with transaction data that includes only the last four digits of the card account number used and the type of card (Visa, Mastercard, American Express, etc.)

**18) Arbitration of Disputes**

- a. All disputes, claims, and questions regarding the rights and obligations of the parties under the terms of this Agreement (other than a claim of nonpayment) are subject to arbitration.
- b. Either party may serve on the other a written demand for arbitration within one hundred eighty (180) days after the dispute first arises.
- c. Any demand for arbitration of a claim served in compliance with Paragraph 11 above shall be contained within and served with the written claim.
- d. The arbitration shall be conducted by three arbitrators (one appointed by Agister, one by Owner, and a third by the other two arbitrators) in accordance with the rules of commercial arbitration of the American Arbitration Association.
- e. Each party shall pay its own costs in connection with the arbitration, and cost of the arbitrators shall be paid in equal amounts by the parties.

**19) Force Majeure**

Notwithstanding anything to the contrary in this Agreement, neither Seller nor Buyer shall 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 either party, including, but not limited to, government regulations, public emergency or necessity; legal restrictions; labor disputes and actions related thereto; riot, war, or insurrection; and windstorms, rainstorms, snowstorms, floods or other acts of God.

Agreed today, the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_:

Seller:

Buyer:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature