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Stallion Breeding Service Agreement

This Breeding Agreement, entered into this _____ day/year of _____. by and between Carol Morin, address is 725 Estates Drive Copper Canyon, TX 75077 (hereinafter referred to as "Breeder"), and _____ whose address is _____; and telephone number is _____ (hereinafter referred to as "Mare Owner").

Recitals

Breeder is the owner of, or holds transferable breeding rights to that certain purebred Paint and Pinto stallion known as Leo Dakota GB, APHA No. 451589 PtHA 115646 (hereinafter referred to as the "Stallion").

Mare owner is the _____ (indicate one of the following: owner, lessee, manager or installment contract vendee, identifying the holder of legal title) of that certain mare known as _____, an unregistered mare (hereinafter to as the "Mare"). Mare shall be accepted for breeding to a Stallion for this year's breeding season, which terminates on August 31 of this year on the terms and conditions hereinafter stated. Now, therefore, for good and adequate consideration, the parties agree as follows:

1. Breeding. Mare Owner agrees to breed the Mare to Stallion, standing at the location during the current breeding season as stated above in the Recitals. Mare Owner shall pay to Breeder a non-refundable fee for the breeding, payable upon execution of this agreement. The booking fee shall be \$200. Such breeding shall be conducted in the manner and at such time and frequencies as Breeder may determine in its sole discretion, taking into consideration veterinarian's recommendations, the health of the Stallion, the health of the Mare, the likelihood of successful breeding and the efficient and economical administration of Breeder's breeding facility.
2. Stud Fee. Mare Owner shall pay a stud fee and booking fee for the total amount of \$400, payable as follows: (a) \$200 booking fee (Non-refundable) due at booking, (b) \$200 upon arrival of mare. Breeder will execute registration and/or breeding certificate papers for the resulting foal only upon payment in full of any balance owing to Breeder as a result of such breeding. Registration papers and Annual Stallion Breeding Reports will be issued for PtHA, APHA or AHR, if applicable. In the event the breeding is to take place by Artificial Insemination, the Mare Owner agrees to pay for any additional fees that occur as a result of the AI procedure including but not limited to all AI stallion collection, preparation, transportation, vet fees and courier fees as well as or any artificial insemination permits, artificial insemination certificates and/or artificial insemination fees required by any registry that the Mare Owner requests registration papers for. In the event of live cover, Mare Owner agrees to pay for any required annual stallion breeding report fees or stallion certification fees for registries other than APHA, PtHA or AHR; required by any registry that the Mare Owner requests registration papers for. There is no extra fee required for live cover for the AHR, PtHA or APHA registries.
3. Boarding of Mare and Foal. Breeder agrees to provide suitable facilities for the care and feed of the mare and foal (if applicable). Mare Owner agrees to pay for the care and feed at a rate of \$12 per day for pasture or paddock board (as available), or \$18 per day for stall board (as available). This applies to a dry mare. It is recommended but not required that the Mare Owner agree that the Mare remain at the Location until the Mare shows no signs of coming back into season for at least 45 (forty-five) days or has a vet ultrasound for pregnancy at approximately 15 days after the last breeding. Mare Owner is responsible for all Veterinarian costs associated with the Ultra Sound. The Mare Owner has the additional option of scheduling an appointment for individual services of live cover. After servicing, the Mare will need to be transported from the facility in order for the Mare Owner not to incur a boarding fee. This option is only available by appointment only. Live Color Foal Guarantee. If the Mare fails to produce a live tobiano colored foal (one that lives for at least 72 hours and meets the color requirements for registration into the PtHA or APHA) as certified in writing by a licensed veterinarian within one (1) week of such determination and provided to Breeder within 30 (thirty) days thereafter. Breeder shall provide a rebreeding the following season for no additional stud or booking fees, except as provided below in paragraph 6. The rebreeding shall be available only for the Mare or a substitute approved by Breeder. If the Stallion is not available for rebreeding the following season the Breeder may give the Mare Owner credit for all amounts of the stud fee paid except for the non-refundable booking fee. If the Mare fails to produce a live color foal on rebreeding the Mare Owner shall be entitled to the refund of the stud fee paid except Breeder shall retain the non-refundable booking and any rehandling fees. Payment of all other

- fees is still required, including but not limited to board, conditioning, veterinary and carrier fees. Additionally, if the resulting foal is a male, the Mare Owner may rebreed the mare or a substitute mare approved by the Stallion Owner in that breeding season for a reduced fee of ½ the published current stud fee. All resulting foals are eligible for a free listing on the sales page of Cross Timbers Arabians and Pintos web site.
5. Artificial Insemination is available upon Mare Owner's request for such services and thereby breeder is authorized, but not required, at its option, to perform any breeding by artificial insemination as permitted by applicable PtHA, APHA, or AHR rules. Mare Owner assumes all responsibility for the determination of whether Artificial Insemination is allowable for any particular breed registry. The Mare Owner will pay any Breed Organization associated AI permit fees and Mare Owner must send and the Stallion Owner receive the permits required to be filled out within 1 week prior to collection of stallion. All additional fees and AI collection, preparation, transportation, and any other costs associated with the artificial insemination of said Mare will be borne by Mare Owner. In the event that breeding involves transported semen a signed copy of the Cross Timbers Arabians and Pintos Cooled Transported Semen contract must be agreed to and signed by the mare owner. In the event of Live Cover, mare must be trained to catch, halter and lead mannerly. Breeder reserves the right to refuse to breed any unmannerly mare or a mare that offers to kick the stallion during breeding service.
 6. Vaccination Requirement. No breeding guarantee shall apply if the Mare has not been vaccinated against rhinopneumonitis (equine virus abortion) and the Mare aborts due to rhinopneumonitis, in which case Mare Owner shall pay the entire stud fee and not be entitled to any rebreeding.
 7. Foaling Fee. Mare Owner shall pay the foaling fee of \$300, if applicable, to have the mare foal on the premises of the Breeder. This is in addition to veterinary fees for initial examination, inoculations, or any other expenses in connection with the foaling; which shall be paid by the Mare owner, regardless of whether such services were requested.
 8. Acceptance of Mare, Health of Mare. Mare Owner warrants that the Mare is free of all communicable diseases upon delivery to the Location. **Prior to arrival at the Location**, the Mare Owner shall provide a record of any medical treatment currently being administered to the Mare and a record of current vaccinations for strangles, equine influenza, tetanus and sleeping sickness, a clean uterine culture examination performed within 60 days prior to its arrival and a negative Coggins (swamp fever) test performed as to the Mare within six (6) months prior to its arrival. If the Mare arrives without such records and Coggins test. Breeder may, at its option, not accept the Mare or provide the vaccinations, examinations and Coggins test at Mare Owner's expense. Breeder is authorized to obtain, maintain, and provide vaccinations. Coggins test, foot care, regular breeding cultures, uterine reports and other veterinary needs, including emergency surgery, at its discretion, at Mare Owner's expense.
 9. Fees For Extra Services, Release Of Mare And Foal.
 - (a) Mare Owner agrees to pay Breeder the standard board, maintenance and service fees as set forth by Cross Timbers Arabians and Pintos (Breeder) for the current breeding season, as set out in the Fee Schedule currently in effect for Cross Timbers Arabians and Pintos. In addition, Mare Owner should make prior arrangements to setup a direct billing account with a local DFW vet of their choice. In the event Vendor services are required, Mare Owner will be notified in advance of procurement of such services except in the case of what is judged to be a potentially life threatening emergency to the Mare. The Mare Owner shall pay the Breeder's out-of-pocket costs for the following special services, supplies and materials, special feed, veterinary services, uterine reports, drugs, medicines. X-rays, surgery, transportation to any veterinary hospital, veterinary feed supplements as required, farrier services, and other services, supplies and materials specifically requested by Mare Owner or determined by Breeder to be necessary, and which are reasonable and convenient for Breeder to provide or perform. Except for the cost of services, supplies or materials billed directly to the Mare Owner by the vendor or provider of the same, Breeder shall bill Mare Owner monthly for such special services, supplies and materials, with each such billing containing an itemization of all special services, materials and supplies provided during the period covered by the billing. All billings shall be payable on a net ten (10) day basis from date of invoice. Interest at the rate of one and one-half percent (1 & ½%) per month, or the highest legal rate, whichever is less, shall be charged and paid on all balance unpaid for thirty (30) days.
 - (b) Mare Owner agrees that all outstanding balances due for breeding, veterinary care, farrier work and all other fees, charges and expenses pursuant to this Agreement and the Boarding and Training Agreement shall be paid prior to Breeder's release of the Mare and any foal. Mare Owner is a solely responsible for determining whether the Mare is sufficiently healthy to be moved and for obtaining any necessary blood tests, vaccinations, and health certificates, whether through Breeder's veterinarians or otherwise. Upon commencement of loading of the Mare and/or foal for shipment. Mare Owner assumes full responsibility and releases Breeder from any responsibility or liability for the horses' health, soundness, condition, care and transportation to and from the Location.
 10. Lien. Mare Owner grants Breeder a lien upon and security interest in the Mare and any foal produced thereby while at the Location to secure all obligations and amounts due under this or any other agreement with Breeder. Breeder may, at any time until all amounts due hereunder are fully paid, file a photocopy of this

Agreement in the county and state in which it believes the Mare or foals are kept, or where the Mare Owner resides, or has a place of business, and when so filed the copy shall be effective as a financing statement as well as a security agreement. At any time the Mare Owner's balance is unpaid for thirty (30) days, or Mare Owner is otherwise in default under this or any other agreement with Breeder, Breeder may foreclose its security interest in the horse(s). Ten (10) day's notice shall be deemed reasonable notice of any foreclosure sale. Time is of the essence.

12. Commingling. Breeder shall be entitled to commingle Mare Owner's horse(s) with other horses at the Location.
13. Emergencies. Breeder may take such emergency procedures and actions relative to Mare Owner's horse(s) as it deems necessary, and Mare Owner shall indemnify and hold Breeder harmless from any claim, damage or loss arising out of such actions.
14. Limitation of Liability and Indemnification. Breeder and its affiliates, agents, servants and employees shall not be liable for any sickness, disease, estray, theft, death or injury that may be suffered by the Mare or its foal while in Breeder's custody, nor for any other loss, damages, or injury arising out of or connected with the boarding, conditioning, breeding or other services pursuant to this Agreement, except if caused by the gross or willful negligence of Breeder, its agents, servants or employees. Mare Owner fully understands, authorizes and assumes the special risks inherent in breeding, boarding, conditioning, and transporting horses, and acknowledges that mortality and other insurance is solely Mare owner's responsibility. All implied warranties, including fitness; merchantability or otherwise, and all special, incidental and consequential damages are hereby excluded. In no event shall Mare Owner's remedy exceed the amount of the fees paid for the services complained of. Breeder shall also not be liable for any personal injury or disability which the Mare Owner or his agents, representatives or family may receive which occur on Breeder's premises, except as required by law. Mare Owner agrees to indemnify and hold Breeder harmless from any claim related to damages, illness or injury caused by the Mare or its foal and from any claim by a buyer of the Mare or the foal, and agrees to pay all expenses and attorneys' fees incurred by Breeder in defending such claims.
15. Attorneys' Fees. Should any litigation be commenced between the parties hereto concerning any provisions of this Agreement or the rights and obligations of either in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for attorneys' fee.
16. Default by Mare Owner. Without prejudice to any other remedy it may have at law or in equity under this Agreement or otherwise, Breeder, by giving written notice to Mare Owner, may terminate this Agreement, and claim a valid lien on the Mare, the foal or other property of Mare Owner on the premises of Breeder for any amount due from Mare Owner under this Agreement if Mare Owner should:
 - (a) Have a receiver appointed to take possession of all or substantially all of his property because of insolvency.
 - (b) Make a general assignment for the benefit of creditors.
 - (c) Allow any judgment against him to remain unsatisfied or unbonded of record for thirty (30) days or longer, or
 - (d) Fail to comply with any of the obligations or covenants on his part under this agreement.
17. Nonassignability. Mare Owner may not assign any rights or delegate any duties under this Agreement without the written consent of Breeder.
18. Events Occurring Upon Termination. Upon termination for any reason, an accounting and settlement shall be made between the parties, taking into account that charges and expenses specified above and all other amounts owing Breeder from Mare Owner.
19. Binding Effect. This Agreement shall extend to and be binding upon the parties hereto, their successors and assigns. This Agreement may not be altered except by an agreement in writing signed by the parties hereto.
20. Governing Law. The laws of the State of Texas shall govern this Agreement. The parties acknowledge that this agreement is made and shall be considered entirely performed within the state of Texas and shall be construed and enforced under the laws of the State of Texas Law (Chapter 87, civil practice and remedies code), an equine professional is not liable for an injury or death of a participant in equine activities resulting from the inherent risks of equine activities.
22. Headings. The headings in this Agreement are for convenience of reference only and shall not define or limit.
21. Entire Agreement. All understandings and agreements heretofore between the parties are hereby merged in this Agreement, which alone fully and completely expresses their understanding and agreement.
22. When signed by both parties this document will become a legally enforceable contract, binding upon both parties. The Mare owner hereby grants the Breeder a lien upon the mare and foal (if applicable) for any unpaid stallion fees, mare care charges, veterinary expenses, and any other charges resulting from the mare being on the Breeders premises.

Mare Owner: _____ Date _____

Stallion Owner: _____ Date _____