

This agreement ("Agreement") is entered into this day of , 2010, by and between DeGraff Stables, Inc (hereinafter referred to as "DGS" or "Farm") and the owner ("Mare Owner") of that certain registered mare having the registered name of , Registration # , Breed ("Mare"). DGS and Mare Owner may sometimes be referred to herein individually as "Party" and collectively as the "Parties". Now, therefore, in consideration of the foregoing promises, covenants and other valuable consideration contained herein, the Parties agree as follows:

1. **2010 Breeding Stallion.** Mare Owner represents and warrants that Mare Owner has a right to receive semen ("Semen") from that certain registered stallion having the registered name of **Repeated in Red**, AQHA Registration #4398004 ("Stallion") pursuant to that certain 2010 Stallion Breeding Contract or Rebreed Option ("Breeding Contract") with the owner of the Stallion ("Stallion Owner"). As of the date Mare Owner requests any shipments of Semen pursuant to the terms of this Agreement, Mare Owner represents and warrants that all fees due to DGS and fees due to Stallion Owner have been paid in full.
2. **Service and Fees.** DGS agrees to collect, process, cool, freeze, test and ship, each as applicable, Semen to Mare Owner in accordance with the terms and conditions of this Agreement. In exchange for providing such services, Mare Owner shall pay DGS those fees charged for such services in accordance with DGS's fee schedules, all applicable taxes imposed by local, state or federal government authorities, and those other costs and expenses incurred by DGS for the care of the Mare (collectively "Fees"). DGS reserves the right to adjust fee schedules at any time without notice.
3. **Sales Tax, Credit Card Fees and Shipping Costs.** In accordance with Kentucky law, a six percent (6%) sales tax will be assessed on the breeding and shipped semen fees for all in-state mares. If Mare Owner pays DGS by credit card, Mare Owner shall pay DGS a 3% convenience fee. Mare Owner agrees to pay DGS the following costs for the preparation and/or shipment of the Semen to a location in the United States of America:
 - (i) If the Semen is picked up at DGS: One Hundred and Seventy Five Dollars (\$175)
 - (ii) If the Semen is shipped by standard overnight delivery: Two Hundred and Fifty Dollars (\$250)
 - (iii) If the Semen is shipped by standard overnight for Saturday Delivery: Additional Twenty Five Dollars (\$25)
 - (iv) If the Semen is shipped by same day delivery: Three Hundred and Fifty Dollars (\$350)

Mare Owner acknowledges that Mare Owner will be responsible for and agrees to pay DGS the above shipping charges if Mare Owner cancels its Semen request after DGS already collected and processed the requested Semen.

4. **Equitainers.** DGS may package the Semen in an Equitainer. Each Equitainer shipped to or picked up by Mare Owner must be immediately returned to DGS. Should Mare Owner fail to return an Equitainer to DGS within three (3) days after the shipment or pickup date, DGS may assess Mare Owner a \$25/day rental charge for each such Equitainer. Mare Owner shall be solely responsible for the cost of returning the Equitainer to DGS. Mare Owner shall tender to DGS (either by check, money order or credit card authorization) a Three Hundred Dollar (\$300) refundable deposit ("Refundable Deposit") for each Equitainer shipped to or picked up by Mare Owner. DGS will not cash the check nor charge the credit card unless DGS fails to receive the Equitainer within fifteen days (15) after the shipment or pickup date. If so supplied, Mare Owner must deliver the Equitainer to DGS at least forty-eight (48) hours prior to the requested shipment or pickup date and shall boldly and clearly mark each Equitainer and all parts therein with Mare Owner's name and address. Mare Owner may supply its own Equitainer to DGS, in which case a refundable deposit is not required. DGS may refuse to ship Semen in an Equitainer supplied by Mare Owner if it determines, in its sole discretion, that such container will not reasonably lead to a successful breeding. If DGS determines, in its sole discretion, to ship the Semen in a disposable container, Mare Owner shall pay DGS a non-returnable thirty-eight dollar (\$38) container fee.
5. **All Shipments.** Semen will be collected only on Monday, Wednesday and Friday. Mare Owner shall make a request for a shipment of Semen at least twenty-four (24) hours in advance of the requested collection date. After giving priority to mares ordering first in a cycle, semen requests are filled in the order in which they are received. DGS does not guarantee that Mare Owner's Semen request will be filled by the requested date. DGS does not guarantee that Semen orders for same day delivery under Section 3(iii) that are received by DGS on the date requested will be shipped on the date requested. Best efforts will be made to provide one dose of Semen on an as required basis according to Farm's collection/shipment days.
6. **Canadian Shipments.** In addition to the shipment costs set forth in Section 3 above, Mare Owner agrees that it must pay additional costs and expenses if Mare Owner requests Semen be shipped to Canada ("Canadian Mare Owner"). Before DGS may ship Semen to Canada, a Canadian Mare Owner must first apply and obtain an Import Permit for the Stallion. The Import Permit costs approximately \$60 for multiple entry (valid for one year) or \$35 for a single entry and it may take 3-5 days or longer to process the request. Each shipment to Canada must be accompanied by an Original United States Health Certificate, signed and stamped with the date of collection, and DGS must have a copy of Canadian Mare Owner's Import Permit to complete the documentation. Once the shipment is received in Canada, these documents must be presented to Canadian customs for inspection. Canadian Mare Owner acknowledges that many locations in Canada do not offer customs service on weekends. Canadian Mare Owner agrees to pay DGS the following charges and expenses: U.S. USDA Health Certification and Canadian Documentation fee \$125, Fed-Ex additional fee \$75.00 and Disposable Container is \$38.00. All Semen requests by Canadian Mare Owners must be made forty-eight (48) hours in advance of requested collection date.
7. **Address of Record.** Unless otherwise requested in writing, DGS shall ship Semen to the address of record which has been provided in writing by Mare Owner prior to any shipment. Mare Owner warrants that the address for shipment is a suitable facility for artificial insemination of the Mare. DGS may refuse to make repeated shipment to the address provided by Mare Owner if DGS determines, in its sole discretion, that it will not reasonably lead to a successful breeding.
8. **Insemination.** Mare Owner represents and warrants that Mare will be the only mare to be inseminated by the Semen.
9. **Certificate and Parentage Verification.** Mare Owner agrees to comply with all AQHA, APHA or other breed association requirements as contained in the Rules of Registration in the Official Handbook concerning the use and handling of transported cooled

semen and shall comply with any parentage verification required. Mare Owner acknowledges that Stallion Owner, not DGS, will issue a breeder's certificate upon receiving notification of the birth of a live foal. Mare Owner acknowledges that Mare Owner must pay DGS and Stallion Owner all fees, costs and expenses in full before Stallion Owner will issue a breeder's certificate to Mare Owner. A breeder's certificate shall only be issued for Mare.

10. Transportation of Semen. If Semen is shipped to Mare Owner, delivery of the Semen is F.O.B. shipping point and title and risk of loss of the Semen pass to Mare Owner at the F.O.B. shipping point and all claims for loss or damage in transit or for non-delivery shall be made by Mare Owner against the carrier. All shipment, insurance or similar charges shall be borne by Mare Owner. DGS will make every attempt to ship Semen to Mare Owner in good condition; however, once Semen is delivered to the F.O.B. shipping point, delivery is out of DGS's control DGS does not guarantee or warrant that Semen will be in good condition upon arrival. NOTWITHSTANDING THE ABOVE, DGS SHALL NOT BE LIABLE FOR ANY DAMAGE OR PENALTIES WHATSOEVER, WHETHER INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL, RESULTING FROM DGS'S FAILURE TO DELIVER OR DELAY IN DELIVERY FOR ANY REASON.

11. Payment. Mare Owner shall pay DGS the Fees, Refundable Deposit and all costs and expenses set forth in this Agreement before DGS releases the Semen to Mare Owner. DGS's release of the Semen without first receiving payment for the Fees, Refundable Deposit and all costs and expenses shall not constitute a waiver on the part DGS to collect any unpaid Fees, costs and expenses. If payment is not made when due, DGS may suspend all future delivery and other performance without liability or penalty and, in addition to all other sums payable hereunder, Mare Owner shall pay to DGS (i) a \$25.00 handling fee; (ii) the reasonable costs and expenses incurred by DGS in connection with all actions taken to enforce collection or to preserve and protect DGS's rights hereunder, whether by legal proceedings or otherwise, including without limitation reasonable attorneys' fees, court costs and other expenses; and (iii) interest on all amounts unpaid charged at the monthly rate of 1-1/2% or the highest rate permitted by law, whichever is lower. DGS may also, in its discretion, compel Stallion Owner to withhold the breeder's certificate until payment is received in full.

12. Waiver of Liability. MARE OWNER AGREES THAT DGS, AND ITS REPRESENTATIVES, AGENTS, EMPLOYEES, MANAGERS, MEMBERS, LESSOR, AFFILIATED PERSONS, AND OTHERS ACTING ON DGS'S BEHALF (COLLECTIVELY "DGS REPRESENTATIVES"), SHALL NOT BE LIABLE FOR ANY DAMAGES INCLUDING BUT NOT LIMITED TO ANY CLAIM, DEMAND OR LOSS ARISING FROM ANY SICKNESS, DISEASE, ESTRAY, THEFT, INJURY OR DEATH OF THE MARE, SEMEN OR LOSS OF PROFIT OR REVENUES, DAMAGE FOR LOSS OF USE OF THE SEMEN OR MARE, DAMAGE TO PROPERTY, CLAIMS OF THIRD PARTIES OR ANIMALS, INCLUDING PERSONAL INJURY, DEATH OR SICKNESS ON ACCOUNT OF THE USE OF THE SEMEN OR THE ACTS OF THE MARE.

13. Release and Indemnification. Mare Owner hereby releases and agrees to indemnify, defend and hold harmless DGS and DGS Representatives from any claim, charge, debt, demand, lawsuit, loss and expense, including but not limited to attorneys' fees, which may be imposed upon or incurred, directly or indirectly, as a result of the services performed pursuant to this Agreement, arising out of or attributable to the Semen, or resulting from the acts and behavior of the Mare. This indemnification shall extend to the successors and assigns of DGS and DGS's lessor.

14. Risk of Loss. Mare Owner agrees to assume all responsibility for the Semen, even if in the physical possession of DGS, and shall bear all risk of loss or damage to the Semen, whether by loss, disease, injury, infection, theft or by any cause whatsoever, and agrees to hold DGS (or any person employed by or associated with DGS) harmless on any and all damages associated therewith.

15. Inherent Risks and Assumption of Risk. The Mare Owner acknowledges there are inherent risks associated with equine activities, including breeding, and hereby expressly assumes all risks associated with participating in such activities. The inherent risks include, but are not limited to the propensity of equines to behave in ways such as, running, bucking, biting, kicking, shying, stumbling, rearing, falling or stepping on, that may result in an injury, harm or death to persons on or around them; the unpredictability of equine's reaction to such things as sounds, sudden movement and unfamiliar objects, persons or other animals; certain hazards such as surface and subsurface conditions; collisions with other animals; the limited availability of emergency medical care; and the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others, such as failing to maintain control over the animal or not acting within such participant's ability. **WARNING:** Under Kentucky Law, an equine professional is not liable for an injury to or the death of a participant in equine activities resulting from the inherent risks of equine activities, pursuant to section 247.402, Kentucky Revised Statutes.

16. Termination. DGS reserves the right to discontinue service at its sole discretion and may terminate this Agreement upon 10 days notice directed to the Mare Owner at the address below or any other manner reasonably calculated to provide notice. Such termination shall not prejudice or impair DGS's rights herein, including but not limited to its right to seek payment for any services rendered.

17. Miscellaneous. Each Party agrees to comply with all applicable federal, state and local laws, codes, regulations, rules, and orders. This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof, and supersedes all other agreements, written or oral, with respect to such subject matter herein. No services other than those expressly stated in this Agreement will be provided by DGS without an express, written and signed amendment to this Agreement. This Agreement is not assignable by Mare Owner. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. No failure by DGS in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. This Agreement shall be governed by the laws of the Commonwealth of Kentucky, and any legal action relating in any manner to this Agreement or the relations of the parties shall be brought in a state or federal court sitting in or encompassing Woodford County, Kentucky. The parties agree to submit to the personal jurisdiction of said courts pursuant to KRS 454.210, and hereby waive any objection to venue and any claim that the action has been brought in an inconvenient forum. The Parties agree that a facsimile or other electronic transmission of a counterpart of this signed Agreement constitutes an original counterpart and shall be a valid and binding document for all legal and other purposes. This Agreement may be executed in multiple counterparts by the Parties. All of such counterparts shall be construed as if all signatures were appended to one document.

18. Authority. The undersigned hereby individually represents and warrants that the undersigned is the true and lawful owner of the Mare or, if not the owner of the Mare, the undersigned is duly authorized by the Mare Owner to execute this Agreement on behalf of the Mare Owner. All references in this Agreement to the Mare Owner shall be deemed binding upon the undersigned and the Mare Owner. The undersigned hereby agrees to indemnify, defend and hold harmless DGS for any and all claims made by the Mare Owner based upon a breach of the above representations and warranties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year set forth first above:

Signature of Mare Owner or Authorized Agent	DGS Authorized Agent
Print Name	Date

PERSON ORDERING SEMEN CONTACT INFORMATION:

Contact Person (Required Information):	
Phone (Required Information):	
Fax Shipping Confirmation Info:	
Email Shipping Confirmation Info:	

MARE INFORMATION

Mare Name:			
Association ID# of mare:	<input type="checkbox"/> AQHA <input type="checkbox"/> APHA <input type="checkbox"/> ApHC	2 nd Assoc. ID#	<input type="checkbox"/> AQHA <input type="checkbox"/> APHA <input type="checkbox"/> ApHC
Mare Owner or Lessee:			
Embryo Transfer:	<input type="checkbox"/> YES <input type="checkbox"/> NO Very Important! Please let us know if this shipment is for an embryo flush.		

SHIPPING INFORMATION

Address for Delivery of Shipped Semen:		Saturday Delivery Address (If Different):	
Facility:		Facility:	
Address:		Address:	
City, State, Zip:		City, State, Zip:	
Is This a Residential Address? <input type="checkbox"/> Yes <input type="checkbox"/> No		Is This a Residential Address? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Estimated Date for First Shipment:		*Do you want a signature release for shipments? <input type="checkbox"/> Yes <input type="checkbox"/> No	
		*Will allow Fed-Ex to deliver without a signer	
Closest Major Airport:		Airport 2nd Choice:	

CREDIT CARD INFORMATION & AUTHORIZATION

EXACT Name on Card:	
Card Billing Address:	
City, State & Zip:	
VISA or Master Card #:	
Expiration Date:	3 Digit Number on Back of Card: