

BREEDING AGREEMENT FOR EMBRYO TRANSFER AND RECIPIENT MARE LEASE

Owner's Name: _____ Person to Contact: _____
Billing Address: _____ Contact's Phone Number: _____
City, State, Zip: _____ Important information: _____
Phone Number: _____

This Breeding Agreement for Embryo Transfer and Recipient Mare Lease ("Breeding Agreement") is made between Arnold Reproduction Center ("ARC"), a limited partnership, and existing under the laws of the State of Texas, with its principal office located at 360 Leea Lane, Weatherford, Texas 786087, and Donor Mare's Owner, as identified above ("You" or "Your").

1. EMBRYO TRANSFER: You and ARC hereby agree to transfer the viable embryo out of Donor Mare to Recipient Mare during the Breeding Season for the 2017 ("Contract Year") on the terms and conditions provided herein.

2. MARE LEASE: You hereby agree to lease from ARC a Recipient Mare to receive the embryo of Donor Mare to carry said embryo to term, to nurse the resulting foal ("Foal") until weaning, and to wean Foal. You covenant not to use Recipient Mare for any purpose other than carrying and nurturing Foal. The term of this Lease shall be for a period beginning on the 40-day pregnancy check date for Recipient Mare and ending not later than thirty (30) days after Foal is weaned; but in no case later than November 30th of foaling year. **There is a \$1,500 replacement fee if the recipient mare is not returned to ARC.**

3. FEES: You agree to pay fees as follows:

- a. **EMBRYO TRANSACTION FEE: \$3,100 is due prior to or at departure of Recipient Mare form ARC.**
- b. A non-refundable deposit in the amount of \$1,000 will be due on all Donor Mares twenty (20) years of age or older.
- c. ICSI EMBRYOS AND/OR FROZEN/THAWED EMBRYOS: \$650 uterine transfer fee is due at time of transfer.
- d. FLUSH: \$350 fee is due for flush performed at ARC. Payment is due PRIOR to flush.
- e. EMBRYO SHIPMENT: \$500 transfer fee is due for Donor Mare that is flushed at ARC and has the embryo shipped elsewhere.
- f. FREEZE EMBRYO: \$650 to freeze embryo and \$25 for storage of frozen embryo (per year).

4. BREEDING RECORD: Applicable Donor Mare and Recipient Mare information will be provided at the end of Breeding Season.

5. CARE OF RECIPIENT MARE: ARC agrees to pay veterinary fees associated with maintaining Recipient Mare and preparation of Recipient Mare for embryo transfer for up to 40 days. You shall pay boarding fees for Recipient Mare starting on the 3rd day after the 40-day pregnancy check date and continuing each day thereafter for the entire period Recipient Mare remains at ARC. You expressly authorize ARC to exercise their judgment in supervising and caring for Donor Mare and Foal. When you pick up Recipient Mare from the ARC premises, you covenant and agree that, at your own expense, you shall provide suitable facilities, furnish proper feed, sufficient water, and medical and veterinary care in a manner consistent with good horse breeding and care practices in the State of Texas.

6. RECOVERY OF MULTIPLE EMBRYOS: In the event multiple embryos are recovered in a single flush, ARC reserves the right to transfer ALL embryos. You shall have the option to accept or reject the second or additional embryo transfer at the time the subject Recipient Mare is determined to be 14 days in foal. If you opt to keep more than one in-utero foal, an additional Breeding Agreement and \$3,100 will be due and payable when each Recipient Mare is checked for the embryo heartbeat. If you reject any of the multiple embryo transfers or fail to pay any multiple embryo amounts when due, you waive any and all claim or right to that multiple embryo/foal and further, you agree to and shall provide ARC with all necessary signatures and papers in order to promptly register all such foals.

7. RESPONSIBILITY FOR DONOR MARE ULTRASOUND: In the event an embryo is left in Donor Mare's uterus, whether an embryo is recovered or not, it is your responsibility to have Donor Mare ultra-sounded at 16-20 days post-ovulation to insure against an unwanted pregnancy. You assume responsibility to terminate an unwanted pregnancy.

8. REGISTRATION OF FOAL, LIVE FOAL AND RE-BREED CONDITIONS: You agree to be responsible to make all arrangements with the Stallion Owner regarding any live foal guarantee and re-breed contract conditions. You agree to be responsible for contacting breed association with regard to registry of Donor Mare and expected Foal. You hereby release from, hold harmless from, and covenant not to sue ARC for any claim related to the stillbirth or any other defect in Foal.

9. PERMISSION TO INSPECT AND LOCATION: You shall permit inspection by ARC at any time and agree to follow strictly all reasonable instructions of ARC with respect to the feeding, care, and handling of Recipient Mare. Recipient Mare shall be kept at the address listed for you in this Breeding Agreement. Should Recipient Mare be removed from that address for any purpose other than veterinary care, you shall notify ARC in writing at least five (5) days prior to such removal.

10. REDELIVERY OF OR PAYMENT FOR RECIPIENT MARE: At termination of this Breeding Agreement, you shall redeliver Recipient Mare to ARC at the above-described location at your own expense. If Recipient Mare should die while in your care, you shall notify ARC immediately. You agree to pay \$1,500 for Recipient Mare within five (5) days of Recipient Mare's death. If Recipient Mare delivers Foal stillborn or ceases to be in foal, you shall return Recipient Mare to ARC within five (5) days of the occurrence of such an event or as soon thereafter as medically feasible. Recipient Mare shall at all times remain the property of ARC. You shall return Recipient Mare in essentially the same sound condition of limb, wind and reproduction as you accepted that Recipient Mare following the 40-day foal check. If you do not return Recipient Mare in such sound condition, you shall pay for veterinary services to return her to such sound condition or you shall pay a \$1,500.00 replacement cost.

11. ASSIGNMENT, SALE OR AUCTION OF RECIPIENT MARE WHILE IN FOAL: If you wish to sell or submit to be auctioned Foal prior to its birth, or assign this Breeding Agreement, you shall: (a) inform ARC in writing at least fifteen (15) days prior to any potential assignment or sale; (b) obtain from the buyer prior to the transfer of possession of Recipient Mare a fully executed assignment of this Breeding Agreement; or (c) pay ARC \$1,500 for the Recipient Mare. By your signature on this Breeding Agreement, you hereby agree, consent to and intend that, should you sell or assign Recipient Mare, all your rights under this Breeding Agreement may, at the sole discretion of ARC, be fully transferred. You agree that ARC is not obligated to assign or transfer this Breeding Agreement and may elect to hold you fully responsible for all obligations under this Breeding Agreement.

12. WARRANTIES BY ARC: ARC warrants that Recipient Mare delivered to you pursuant to this Breeding Agreement will be Recipient Mare as described in this Breeding Agreement. ARC makes no other warranty whatsoever express or implied.

13. DELINQUENT ACCOUNTS: You agree to pay all charges then due prior to Recipient Mare departing ARC. If any subsequent charge is not paid in full within ninety (90) days, the entire account shall be delinquent. At ARC's sole option, all work being done with respect to a delinquent account may cease and all embryo transfer contracts may be terminated.

14. SURRENDER OF OWNERSHIP OF FOAL FOR NON-PAYMENT: In the event Recipient Mare is not picked up and payment is not made in full by October 1st of the Contract Year, you shall and hereby do give ARC legal ownership of the resulting Foal of Donor Mare. Ownership transfer shall take place on or before December 31st of the Contract Year. You agree and shall provide ARC with all necessary signatures in order to promptly and properly register the resulting Foal.

15. NO WAIVER: The failure of either party to this Breeding Agreement to insist upon the performance of any of the terms and conditions of this Breeding Agreement, or the waiver of any breach of any of the terms and conditions of this Breeding Agreement, shall not be construed subsequently as waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

16. MODIFICATION OF AGREEMENT: Any modification of this Breeding Agreement shall be binding only if placed in writing and signed by each party or a duly authorized representative of each party.

17. RELEASE, HOLD HARMLESS, COVENANT NOT TO SUE: You specifically acknowledge that participation by you, your personnel, Donor Mare and/or Foal in any capacity, in any activity at the ARC breeding facility, subjects you and them to substantial and serious risk of damage, injury, sickness or death. You hereby assume all such hazards and risks and hereby release, hold harmless from and hereby covenant not to sue ARC, its respective officers, directors, shareholders, employees, agents, representatives, other contract personnel, successors and assigns (the "Released Parties") regarding any and all claims, demands and liabilities which you or they may have, now or in the future, known or unknown, which may arise or result from or are in any way connected with your or their participation in breeding activities.

18. INSURANCE: You specifically acknowledge and agree that you have the option to obtain insurance in one or more forms for some or all of the risks assumed by you in the Breeding Agreement and for breeding activities, and that such insurance is your sole recourse for such risks. You agree to provide each insurer all required policy notices.

19. BINDING EFFECT GOVERNING LAW AND CONSENT TO VENUE: This Breeding Agreement shall bind and insure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties. This Breeding Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas, and venue of all disputes arising from this Breeding Agreement shall be Parker County, Texas.

Each party to this Transfer Contract has fully read it, fully understands it and consents to abide by its terms.

ARC Representative: _____

Date: _____

Donor Mare Owner or Lessee: _____

Date: _____

Please list the mares and stallions that this contract will apply to on supplemental page *Attachment A*



Attachment A

ATTACHMENT TO "BREEDING AGREEMENT FOR EMBRYO TRANSFER AND RECIPIENT MARE LEASE"

Please list the mares and stallions that this contract will apply to:

Mare #1

Stallion

1. _____

2. _____

Mare #2

Stallion

1. _____

2. _____

Mare #3

Stallion

1. _____

2. _____

Mare #4

Stallion

1. _____

2. _____

Mare #5

Stallion

1. _____

2. _____

Mare #6

Stallion

1. _____

2. _____

Mare #7

Stallion

1. _____

2. _____