

AGREEMENT TO FURNISH BREEDING RIGHTS

ARABIANS LTD., INC. (hereinafter referred to as “Breeder”) whose address is 8459 Rock Creek Road, Waco, Texas 76708, and _____ (hereinafter referred to as “Mare Owner”) whose address and telephone are _____ hereby agree as follows:

- 1) **AGREEMENT TO FURNISH BREEDING RIGHTS.** Breeder agrees to furnish breeding rights for Mare Owner’s straight Egyptian mare _____ (hereinafter referred to as the “Mare”) AHR No. _____ to the stallion **BELLAGIO RCA** (hereinafter referred to as the “Stallion”) AHR No. **0607081**. *It is understood that only one (1) mare is to be bred on this breeding right, and that only one (1) foal will be authorized for registration as a result of this mating.* Such breeding rights are to be under the supervision of the farm at which the Stallion is standing at the time of the breeding. Such above described breeding is to take place for the year **2016**.

- 2) **PAYMENT.** Mare Owner will deliver to Breeder the following at Breeder’s farm in McLennan County, Texas:

A handling fee of \$325 due to Arabians Ltd., Inc. at time of breeding (applicable only for mares bred at the farm; does not pertain to transported semen) plus,

A service fee of **\$N/A** which amount shall be paid as follows:

Paid in Full Per the 2015 Egyptian Breeders Challenge Auction

- 3) **BREEDING TERMS.**
 - **Method of Breeding:** Breeder may breed the Mare naturally, by artificial insemination or by any other method deemed appropriate by Breeder. At Mare Owners option, Mare may also be bred with semen which is shipped from the Breeder to the Mare. Procedures and any additional expense of such “shipped semen” option shall be under the supervision of the farm at which the Stallion is standing at the time of the breeding. Mare Owner understands that conception rates are traditionally lower with shipped semen. Mare owner is responsible for all expenses incurred in breeding the mare.

 - **Change of Mare:** If Mare Owner decides to transfer breeding rights to another mare other than the one specified in Section 1 of this Agreement, Breeder must be notified in writing prior to the Mare being bred.

- **Live Foal:** Should the Mare fail to conceive or produce a Live Foal as a result of such breeding, the Mare is entitled to be rebred during the following year's breeding season. Live Foal in this Agreement shall be defined as follows: A foal that stands and nurses and would be insurable against mortality seventy-two hours after birth. Provided, however, that Breeder shall be under no obligation to rebreed or do anything as a result of the failure to produce a Live Foal unless Breeder is notified in writing that a Live Foal was not produced within seven (7) days after the event which established that the Mare did not produce a Live Foal; a veterinarian's certificate indicating the reason that a Live Foal was not produced shall be required before Breeder is required to provide any rebreeding as a result of the failure to produce a Live Foal. Beyond the second breeding season, all Mare Owner's rights to breed to the Stallion are terminated. Under no circumstances shall any refund of any fee be made to Mare Owner. Should the original Mare prove unbreedable, the Mare Owner may substitute another mare, that mare to be approved in writing by Breeder. All provisions of this contract shall apply to any substitute mare furnished for breeding pursuant to the terms of this contract. In the event that the Mare does not conceive during the Breeding Season or for any other reason, and if Mare Owner exercises the right to a return breeding pursuant to the Live Foal Guarantee section hereof, the Mare Owner agrees to pay a re-handling/rebreed fee of \$1,000.00 prior to the rebreed of their Mare.
- 4) **DEATH OR DISABILITY.** If the Stallion should die or become unserviceable before completing the obligations herein, Breeder agrees to furnish Mare Owner with services to another stallion selected by Breeder.
- 5) **SALE OF STALLION.** In the event the Stallion is sold before completing the obligations described herein, Breeder agrees that any unfulfilled breeding obligation will be transferred to the new owner of the Stallion, wherever the location, or Breeder may, at Breeder's option, refund all service fees previously paid hereunder and terminate this Agreement, or Breeder may, at Breeder's option, furnish Mare Owner with services to another Stallion selected by Breeder.
- 6) **LOCATION OF MARE.** Mare Owner agrees that any shipment of Mare to or from the farm where the Stallion stands shall be at Mare Owner's sole risk and expense. Mare Owner will be required to pay board, farrier services and medical care for the mare. Whenever delivered to Breeder, the Mare shall be healthy, in sound condition for breeding, halter broken, not unruly and shall have received such vaccinations and tests as Breeder may reasonably require.
- 7) **LIEN TO SECURE PAYMENT.** Mare owner hereby grants Breeder a lien on the Mare and any foals born to the Mare as a result of the breeding sold hereby to secure payment of the amounts due hereunder. In the event any amount due hereunder is not paid in the manner and at the time provided for herein, Breeder may, by written notice to Mare Owner, declare Mare Owner's obligations hereunder to be in default and may, at any time more than twenty (20) days thereafter, sell the Mare and any foals born to the Mare as a result of the breeding sold

hereby, at any public or private sale unless Mare Owner has remedied the default. Any notice shall be given by certified or registered mail and shall be deemed given when deposited with the United States Postal Service in a postage paid wrapper addressed to Mare Owner at Mare Owner's address shown at the beginning of this Agreement or as shown on Arabians Ltd., Inc.'s records. In the event of any sale, Breeder shall apply the proceeds of such sale, first, to the expenses of the sale and other collection cost (including but not limited to commissions, attorney fees, auctioneer's fees, court costs, and transportation expenses), second, to the amounts due to Breeder by Mare Owner hereunder, third, to any other amounts due from Mare Owner to Breeder, and fourth, any excess to Mare Owner, or such other party as may appear entitled hereto. Mare Owner agrees to cooperate with any such sale and agrees to promptly take all actions necessary to transfer to the purchaser good title, free of encumbrances, to any horse sold hereby, including but not limited to the provision and proper endorsement for transfer of any Arabian Horse Registry certificate for the horse sold.

- 8) **RELEASE OF LIABILITY.** It is mutually agreed that neither Breeder nor any of its officers, directors or employees shall be liable for the death of or any disease, accident or injury occurring to the Mare, or the Mare's foal at side, and Mare Owner agrees to hold Breeder and its officers, directors and employees harmless against loss or expense arising out of any such death, disease, accident or injury. Mare Owner understands and recognizes that Breeder will not carry the Mare on any form of insurance, including equine mortality or liability insurance and any such insurance is Mare Owner's responsibility. Mare Owner agrees that neither Breeder nor any of its officers, directors or employees shall be liable for any injury which Mare Owner or Mare Owner's invitees may receive while on Breeder's premises and Mare Owner agrees to hold Breeder and its officers, directors and employees harmless against loss or expense arising out of any such injury.
- 9) **MISCELLANEOUS.** This Agreement comprises the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements. Mare Owner agrees and acknowledges that Breeder has made no representations or promises in connection with this Agreement except those set forth herein. In particular, Breeder has not represented or promised to sell any foal born as a result of the breeding sold hereby. Breeder has made no representation with regard to any future promotion of the Stallion. The Breeder makes no representation that it will continue to own the Stallion to which Mare Owner has purchased breeding rights.

Except as specifically authorized by Breeder in writing, the Mare Owners rights hereunder may not be transferred or assigned.

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Texas and shall be binding upon the parties hereto and their respective heirs, successors, and personal representatives, and where allowed, assigns. Venue for any suit shall be exclusively in McLennan County, Texas.

